IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER
(1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") UNDER RULE 144A OR
(2) LOCATED OUTSIDE OF THE UNITED STATES AND ARE NOT U.S. PERSONS

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

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

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

Confirmation of your Representation: In order to be eligible to view this offering circular or make an investment decision with respect to the securities, investors must be either (1) "qualified institutional buyers" or "QIBs" (within the meaning of Rule 144A under the Securities Act) or (2) located outside the United States and are not "U.S. persons" (within the meaning of Regulation S under the Securities Act).

This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us (1) you and any customers you represent are either (a) QIBs or (b) located outside the United States and are not U.S. persons and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to delivery of this offering circular by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose this offering circular to any other person.

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

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers or the Issuer, nor any person who controls a Dealer or the Issuer or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from the Dealers or the Issuer.

The information in this offering circular is not complete and may be changed. This offering circular is not an offer to sell the securities, nor a solicitation to buy the securities, in any jurisdiction where the offer or sale is not permitted.

NBN CO LIMITED

(ACN 136 533 741)

(*a company incorporated under the laws of the Commonwealth of Australia*)

U.S.$50,000,000,000
Global Medium Term Note Programme

Under this U.S.$50,000,000,000 Global Medium Term Note Programme (the "Programme"), NBN Co Limited (the "Issuer"), a company incorporated under the laws of the Commonwealth of Australia, subject to compliance with all relevant laws, regulations and directives, may, from time to time, issue notes (the "Notes") denominated in euro, UK pounds sterling, U.S. dollars, Japanese yen or any other currency agreed between the Issuer and the relevant Dealer (as defined below).

The Notes may be issued in bearer or registered form (respectively "Bearer Notes" and "Registered Notes"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$50,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to any increase as described herein.

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

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors" beginning on page 20.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States or any other jurisdiction, and the Notes may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons unless an exemption from the registration requirements of the Securities Act is available and the offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Notes are being offered and sold outside the United States to persons that are not U.S. persons in reliance on Regulation S ("Regulation S") under the Securities Act and within the United States only to persons who are qualified institutional buyers ("QIBs") in reliance on Rule 144A ("Rule 144A") under the Securities Act. See "Form of the Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "Subscription and Sale and Transfer and Selling Restrictions".

Each Series (as defined in "Summary of the Programme") of Notes will comprise one or more Tranches (as defined in "Summary of the Programme"). Each Tranche of Bearer Notes will be represented on issue by a temporary global Note in bearer form (each a "Temporary Global Note") or a permanent global Note in bearer form (each a "Permanent Global Note" and, together with the Temporary Global Notes, the "Global Notes"), as specified in the applicable Pricing Supplement, deposited with a common depositary on behalf of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). Interests in Temporary Global Notes generally will be exchangeable for interests in Permanent Global Notes, or, if so stated in the applicable Pricing Supplement, definitive Notes, after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche upon certification as to non-U.S. beneficial ownership. Interests in Permanent Global Notes will be exchangeable for definitive Notes in whole but not in part. See "Form of the Notes".

Each Tranche of Notes in registered form ("Registered Notes") offered and sold outside the United States to persons that are not U.S. persons in reliance on Regulation S will initially be represented by a global note in registered form (a "Regulation S Global Note"). Registered Notes sold to QIBs in reliance on Rule 144A will be represented by a global note in registered form (a "Rule 144A Global Note" and, together with a Regulation S Global Note, each a "Registered Global Note"). Registered Global Notes will either be: (i) deposited on the relevant issue date with, and registered in the name of a nominee of, a common depositary on behalf of Euroclear and Clearstream, Luxembourg or with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC"); or (ii) delivered outside a clearing system, as agreed among the Issuer, the Principal Paying Agents, and the relevant Dealer (all as defined herein), if any, or purchaser. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Form of the Notes".

We have applied to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the official list ("Official List") of the SGX-ST. There is no guarantee that an application to the SGX-ST will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, its associated companies, the Programme or the merits of investing in such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein.

The applicable Pricing Supplement in respect of any issue of Notes will specify whether or not such Notes will be listed on the SGX-ST. The Issuer may issue unlisted Notes and/or Notes not admitted to trading on any market.

In relation to any Tranche, the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to the Notes of such Tranche will be set out in the applicable Pricing Supplement.

The Issuer has a long-term credit rating of AA by Fitch Australia Pty Ltd ("Fitch") and Aa3 by Moody's Investors Service Pty Limited ("Moody's"). The Programme is rated AA by Fitch and Aa3 by Moody's. When a Tranche of Notes issued under the Programme is rated, its rating will not necessarily be the same as the long-term credit rating assigned to the Issuer or the rating assigned to the Programme by the relevant rating agency. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Each credit rating should be evaluated independently of any other credit rating.

The Notes are not obligations of any government or governmental agency and in particular are not guaranteed by the Commonwealth of Australia.

Arranger

Citigroup

Dealers

BofA Securities	**BNP PARIBAS**	**Citigroup**	**Deutsche Bank**
Goldman Sachs & Co. LLC	**HSBC**	**J.P. Morgan**	**Morgan Stanley**

15 September 2023

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IMPORTANT INFORMATION

This offering circular is an advertisement and is not a prospectus for the purposes of the Prospectus Regulation and the UK Prospectus Regulation. This offering circular has been prepared on the basis that all offers of the Notes in the European Economic Area (the "EEA") or the United Kingdom (the "UK") will be made pursuant to an exemption under the Prospectus Regulation and the UK Prospectus Regulation from the requirement to produce a prospectus in connection with offers of the Notes. When used in this offering circular, Prospectus Regulation means Regulation (EU) 2017/1129 and UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018 ("EUWA").

The Issuer accepts responsibility for the information contained in this offering circular and the applicable Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this offering circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The SGX-ST takes no responsibility for the contents of this offering circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering circular.

Certain information under the heading "Book-Entry Clearance Systems" has been extracted from information provided by the clearing systems referred to therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Dealers or the Agents (as defined in "Summary of the Programme") have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Agents as to the accuracy or completeness of the information contained in this offering circular or any other information provided by the Issuer in connection with the Programme. None of the Dealers or the Agents accepts any liability in relation to the information contained in this offering circular or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Dealers or the Agents to give any information or to make any representation not contained in or not consistent with this offering circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Dealers or the Agents.

Neither this offering circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Dealers or the Agents that any recipient of this offering circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this offering circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Dealers or the Agents to any person to subscribe for or to purchase any Notes.

None of the Issuer, the Dealers or the Agents makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the delivery of this offering circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Each of the Dealers and the Agents expressly do not undertake to review the financial condition or affairs of the

Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

The distribution of this offering circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this offering circular comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Notes and distribution of this offering circular, see "Subscription and Sale and Transfer and Selling Restrictions" and the applicable Pricing Supplement. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the relevant Dealer or any affiliate of such Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

This offering circular is not, and is not intended to be a disclosure document within the meaning of section 9 of the Australian Corporations Act 2001 (Cth) (the "Australian Corporations Act") or a Product Disclosure Statement for the purposes of Chapter 7 of the Australian Corporations Act. No action has been taken by us that would permit a public offering of the Notes in Australia. In particular, this offering circular has not been lodged or registered with the Australian Securities and Investments Commission ("ASIC").

Notes may not be offered for sale nor may applications for the sale or purchase of any Notes be invited in Australia (including an offer or invitation that is received by a person in Australia) and neither this offering circular, any Pricing Supplement, nor any advertisement or other offering material relating to the Notes may be distributed or published in Australia unless (i) (A) the aggregate amount payable on acceptance of the offer by each offeree or invitee for the Notes is a minimum amount (disregarding amounts, if any, lent by the person offering the Notes or its associates) of A$500,000 (or its equivalent in another currency), or (B) the offer or invitation is otherwise an offer or invitation for which no disclosure is required to be made under Part 6D.2 or Chapter 7 of the Australian Corporations Act, (ii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the Notes in the jurisdiction in which such offer, sale and resale occurs, and (iii) such action does not require any document to be lodged with ASIC.

The communication of this offering circular and any other document or materials relating to the issue of any Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the UK's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the UK. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the UK falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or within Article 49(2)(a) to (d) of the Order ("high net worth companies, unincorporated associations, etc"), or to any other persons to whom it may otherwise lawfully be communicated or caused to be communicated under the Order (all such persons together being referred to as "relevant persons"). In the UK, the Notes offered hereby are only available to, and any investment or investment activity to which this offering circular relates will be engaged in only with, relevant persons. Any person in the UK that is not a relevant person should not act on or rely on this offering circular or any of its contents. The communication of this offering circular to any person in the UK who is not a relevant person is unauthorised and may contravene the FSMA.

ANY NOTES BEING OFFERED HEREBY ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS WHO ARE NOT U.S. PERSONS IN RELIANCE ON REGULATION S AND/OR WITHIN THE UNITED STATES TO QIBs IN RELIANCE ON RULE 144A OR ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. ANY SERIES OF NOTES MAY BE SUBJECT TO ADDITIONAL SELLING RESTRICTIONS. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND THE DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE "SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS" AND THE APPLICABLE PRICING SUPPLEMENT.

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

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

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

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

A determination will be made in relation to each issue of Notes about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any such Notes is a manufacturer in respect of such Notes, but otherwise none of the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

A determination will be made in relation to each issue of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any such Notes is a manufacturer in respect of such Notes, but otherwise none of the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE "SFA") – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise stated in the applicable Pricing Supplement in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Notes issued or to be issued under the Programme shall be "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE SFC CODE — IMPORTANT NOTICE TO PROSPECTIVE INVESTORS – Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes pursuant to this programme, each such offering, a "CMI Offering", including certain Dealers, may be "capital market intermediaries" (together, the "CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "SFC Code"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

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

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

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

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC

Code, including to the Issuer, any Overall Coordinators, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We "incorporate by reference" the information available for NBN Co Limited at www.nbnco.com.au/gmtn-debt-investor ("GMTN investor webpage") into this offering circular. This means that the information available on our GMTN investor webpage is considered part of this offering circular and part of the information contained in each of the documents on which you make your investment decision with respect to the Notes when you purchase the Notes. We urge you to review the information on our GMTN investor webpage carefully before investing in the Notes. As at the date of this offering circular, the following materials are available on our GMTN investor webpage and are incorporated by reference herein:

- our audited financial statements as at and for the year ended 30 June 2023, which contain, among other things, notes to the financial statements and the independent auditor's report; and

- our audited financial statements as at and for the year ended 30 June 2022, which contain, among other things, notes to the financial statements and the independent auditor's report.

After the date of this offering circular, we may put additional information on our GMTN investor webpage. Later information on our GMTN investor webpage or in this offering circular or any supplement hereto updates and supersedes earlier information on the GMTN investor webpage and this offering circular and any supplement hereto.

Copies of the information on our GMTN investor webpage can be obtained from us upon request. Requests should be directed to NBN Co Limited, Level 13, 100 Mount Street, North Sydney NSW 2060, Australia, Attention: Treasury, treasury@nbnco.com.au.

In addition, copies of documents incorporated by reference in this offering circular can be obtained from the website of the SGX-ST at http://www.sgx.com.

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in any such document.

No information other than the information available on our GMTN investor webpage or in a supplement hereto that NBN Co Limited prepares or agrees to is incorporated by reference in or otherwise deemed to be a part of this offering circular. The information contained on or accessible from any NBN Co Limited website or webpage (other than the GMTN investor webpage), including any references to such websites in this offering circular or any documents incorporated herein, does not constitute a part of this offering circular or any other document incorporated by reference and is not incorporated by reference herein.

We are not subject to the information and reporting requirements of the Exchange Act. For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) under the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any QIB who is a holder or beneficial owner of such restricted securities, or to any prospective purchaser of restricted securities who is a QIB, designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information specified in Rule 144A(d)(4) under the Securities Act.

ADDITIONAL U.S. INFORMATION

This offering circular is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

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

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "Legended Notes") will be deemed, by its

acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "Subscription and Sale and Transfer and Selling Restrictions". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "Form of the Notes".

REFERENCES TO CREDIT RATINGS

There are references in this offering circular to "credit ratings". A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the relevant credit rating agency. Each rating should be evaluated independently of any other rating.

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Australian Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act; and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this offering circular and anyone who receives this offering circular must not distribute it to any person who is not entitled to receive it.

NO SALES TO OFFSHORE ASSOCIATES OF THE ISSUER

Under present Australian law, interest and other amounts paid on the Notes by the Issuer will not be subject to Australian interest withholding tax if the Notes are issued in accordance with certain prescribed conditions set out in section 128F of the Income Tax Assessment Act 1936 (Cth). One of these conditions is that the Issuer must not know, or have reasonable grounds to suspect, that a Note, or an interest in a Note, was being, or would later be, acquired directly or indirectly by an Offshore Associate (as defined under "Taxation—Certain Australian withholding tax and income tax consequences") of the Issuer, other than in the capacity of a dealer, manager, or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme. Accordingly, the Notes must not be acquired by an Offshore Associate of the Issuer. For these purposes, an Offshore Associate of the Issuer is defined broadly and may include, but is not limited to, any entity that is under common control with the Issuer. Any investor who believes that it may be affiliated with or related to any of the above-mentioned entities or who otherwise believes it may be an Offshore Associate of the Issuer, should make appropriate enquiries before investing in any Notes. For more details, please refer to the section "Taxation—Certain Australian withholding tax and income tax consequences".

FORWARD-LOOKING STATEMENTS

This offering circular includes forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act") and the Private Securities Litigation Reform Act of 1995. Some of these statements can be identified by terms and phrases such as "anticipate", "should", "likely", "foresee", "believe", "estimate", "expect", "intend", "continue", "could", "may", "plan", "project", "predict", "will", and similar expressions and include references to assumptions that we believe are reasonable and relate to our future prospects, developments and business strategies. Such statements reflect our current views and assumptions with respect to future events and are subject to risks and uncertainties.

Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include:

- our ability to generate sufficient cash flow to reach and maintain profitability;
- changes in regulation and the regulatory environment;
- the emergence and uptake of substitute broadband products or competitive technology, such as the fifth-generation global mobile network standard, or 5G, and low Earth orbit satellite technologies, such as SpaceX Starlink;
- the emergence and uptake of alternative fixed-line and fibre services;

- our exposure to cyber threats and cyberattacks;
- damage and disruption to our network infrastructure or equipment;
- our relationship with and the performance and financial condition of our key retail service providers;
- changes to general economic conditions in Australia;
- the impact of inflation;
- our ability to meet changes in data demand or preferences in relation to network speed, capacity and congestion;
- our dependence on key commercial arrangements with Telstra;
- risks associated with the storage and management of personal, sensitive and confidential information;
- costs of developing, maintaining, repairing, upgrading, protecting and replacing our network;
- our transition from an infrastructure construction organisation to a service delivery organisation;
- risks associated with undertaking large projects;
- our reliance on key suppliers and contractors (particularly those affected by upstream supply chain disruptions over which they have no control);
- our ability to service and refinance our significant indebtedness;
- our ability to raise future funds to fund capital expenditures, repay existing obligations and meet other obligations;
- our mandates and expectations as a wholly-owned government business enterprise;
- harm caused by our product, network or installation defects or failures;
- harm to our employees and contractors;
- legal, regulatory and other proceedings and disputes arising from our business and operations;
- our failure to hire and retain qualified personnel;
- our failure to properly manage our technology assets;
- the success of future projects, acquisitions or developments;
- adverse changes in global financial markets;
- changes in our credit rating, including as a result of privatisation;
- changes in Australia's sovereign credit rating;
- the future timing of privatisation, or any significant reduction in the level of government support;
- risks associated with a concentrated customer base of retail service providers;
- fluctuations in exchange rates;

- fluctuations in interest rates;
- our failure to obtain appropriate insurance on commercially reasonable terms;
- our ability to utilise carry-forward tax losses and other tax issues;
- risks associated with asset impairment; and
- costs and technical factors associated with the completion of complex installations on constrained premises.

These forward-looking statements speak only as at the date of this offering circular. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing factors that could cause our actual results to differ materially from those contemplated in any forward-looking statement included in this offering circular should not be construed as exhaustive. You should also read, among other things, the risks and uncertainties described in "Risk Factors" and in the documents that we refer to in "Available information". We qualify all of our forward-looking statements by these cautionary statements.

ENFORCEABILITY OF CIVIL LIABILITIES

We are organised under the laws of the Commonwealth of Australia. All our directors and officers reside outside the United States, principally in Australia. A substantial portion of our assets, and the assets of our directors, officers and experts, including our independent accountants, are located outside the United States. Therefore, you may not be able to effect service of process within the United States upon these entities or persons so that you may enforce judgments of United States courts against them in the United States based on the civil liability provisions of the United States federal securities laws.

In addition, there are doubts as to the enforceability in Australia, in original actions or in actions for enforcement of judgments of United States courts, of civil liabilities based on United States federal securities laws. Also, judgments of United States courts (whether or not such judgments relate to United States federal securities laws) will not be enforceable in Australia in certain other circumstances, including, among others, where such judgments contravene local public policy, breach the rules of natural justice or general principles of fairness or are obtained by fraud, are not for a fixed or readily ascertainable sum, are subject to appeal, dismissal, stay of execution or otherwise not final and conclusive, or involve multiple or punitive damages or where the proceedings in such courts are of a revenue or penal nature.

AUSTRALIAN EXCHANGE CONTROLS

The Financial Transaction Reports Act 1988 (Cth) (the "Financial Transaction Reports Act"), The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (the "AML/CTF Act"), the Autonomous Sanctions Act 2011 (Cth) (the "Autonomous Sanctions Act"), the Charter of the United Nations Act 1945 (the "United Nations Act"), and other Australian regulations, including the regulations made under the United Nations Act and under the Autonomous Sanctions Act, control the import and export of capital and remittance of payments involving non-residents of Australia (collectively, the "Applicable Regulations"). Unless, as required, the Department of Foreign Affairs and Trade ("DFAT") has given its specific prior approval under the regulations made under the Autonomous Sanctions Act, or the Minister for Foreign Affairs has granted a permit authorising a transaction that would otherwise contravene a regulation made under the United Nations Act, certain payments and transactions involving or connected in certain ways with any of the following are, subject to limited exceptions, restricted or prohibited:

- prescribed governments (and their statutory authorities, agencies and entities);
- nationals of prescribed countries; and
- prescribed persons, entities and assets.

Prescribed persons, entities and assets currently include:

- certain persons and entities responsible for, or complicit in, the threat to the sovereignty and territorial integrity of Ukraine;

- certain individuals associated with the former Federal Republic of Yugoslavia (in limited circumstances) and known supporters associated with the former Milosevic regime;

- certain individuals and entities who engage in, or have engaged in, activities that seriously undermine democracy, respect for human rights and the rule of law in Zimbabwe;

- certain persons and entities associated with the Democratic People's Republic of Korea (North Korea);

- certain persons and entities associated with the Democratic Republic of the Congo, Eritrea, Somalia, Sudan, Lebanon, the Central African Republic, ISIL (Da'esh), Al-Qaida, Yemen, the Taliban, Myanmar or the government of Iraq;

- certain individuals associated with the military of Myanmar and certain other state-owned or military owned enterprises in Myanmar;

- certain persons associated with the former Gaddafi regime in Libya;

- certain persons and entities associated with the Syrian regime or responsible for human rights abuses in Syria;

- certain persons and entities associated with Iran; and

- any person or entity designated from time to time by the United Nations (the "UN") in accordance with the regulations made under the United Nations Act.

However, these are subject to change from time to time.

DFAT maintains a list of the persons, entities and assets that are directly subject to sanctions under a number of Applicable Regulations. The list is available to the public at DFAT's website at https://www.dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list. This list does not include persons that are subject to sanctions under the Applicable Regulations because they are acting at the direction of another person that is subject to sanctions or an entity that is owned or controlled by a person that is subject to sanctions. The list of persons, entities and assets that are subject to these sanctions will change over time. DFAT's website and the information contained on the website is not part of this offering circular.

The Applicable Regulations may require DFAT authorisation or impose reporting obligations on parties intending to buy, borrow, sell, lend or exchange, or otherwise deal with "foreign securities" if they are Australian residents (or a person acting on behalf of an Australian resident).

The Financial Transaction Reports Act and the AML/CTF Act impose reporting obligations on "cash dealers" that are a party to significant transfers of physical currency from one person to another to the Australian Transaction Report and Analysis Centre, known as "AUSTRAC". Under the Financial Transaction Reports Act and the AML/CTF Act, a person who transfers A$10,000 or more (or the foreign currency equivalent) in physical currency into or out of Australia, must, subject to certain exemptions, report details of such transfers to AUSTRAC.

Legislation and regulations in Australia also restrict payments, transactions and dealings with assets having a proscribed connection with certain countries or named individuals or entities that are subject to international sanctions or associated with terrorism. The UN Security Council imposed a series of obligations on the UN Member States to prevent and suppress terrorism. Paragraph 1(c) of the UN Security Council Resolution 1373 (2001) (the "UNSC Resolution 1373") requires all UN Member States (which includes Australia) to freeze without delay funds and other financial assets or economic resources of (i) persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; (ii) entities owned or controlled directly or indirectly by such persons; and (iii) persons and entities acting on behalf of, or at the direction of such persons and entities, including funds derived or generated from property owned or controlled directly or indirectly by such persons and associated persons and entities. Australia implements the obligations under paragraph 1(c) of the UNSC Resolution 1373 in the United Nations Act and the Charter of the United Nations (Dealing with Assets) Regulations 2008. Accordingly, the moment a person or entity is placed on the UN list of persons or entities that meet the criteria set out in paragraph 1(c) of the UNSC Resolution 1373, the

financial assets or economic resources of such person or entity in Australia must be frozen without delay. These names on the UN list are automatically incorporated onto a consolidated list maintained by DFAT.

FINANCIAL INFORMATION PRESENTATION

This offering circular incorporates by reference our audited financial statements as at and for the years ended 30 June 2023 and 2022. Our financial statements as at and for the year ended 30 June 2022 contain comparative information as of and for the year ended 30 June 2021.

In FY23 and FY22, we had no subsidiaries. During FY21, we liquidated and applied to deregister the two wholly-owned subsidiaries we had at the start of the period, NBN Tasmania Limited and NBN Co Spectrum Pty Ltd. We ceased to control these subsidiaries on 2 October 2020 when the liquidators were appointed. All assets and liabilities of the subsidiaries were transferred to NBN Co Limited at carrying value. The subsidiaries were de-consolidated from 2 October 2020, when control ceased. The comparative financial information for FY21 included in our FY22 audited financial statements includes the results of these subsidiaries for the portion of the year during which we controlled them.

Our financial statements incorporated by reference in this offering circular have been prepared in accordance with Australian Accounting Standards ("AAS") and other authoritative pronouncements of the Australian Accounting Standards Board. Our financial statements also comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

Our financial statements as at and for the years ended 30 June 2023 and 2022 incorporated by reference in this offering circular have been audited by PricewaterhouseCoopers ("PwC"), independent accountants, as stated in their reports that are incorporated by reference herein.

Investors should note that AAS and IFRS differ from generally accepted accounting principles in the United States ("U.S. GAAP"). Investors should consult their own professional advisers for an understanding of the differences between AAS, IFRS and U.S. GAAP and how those differences might affect such financial statements, and more generally, our financial results going forward.

NON-AAS FINANCIAL MEASURES

We use a number of non-AAS measures to assess the financial and operational performance of our business. We believe these non-AAS measures provide useful information about our business and our management considers these measures in analysing our operating and financial performance. However, these measures each have limitations and it is important the potential investors in the Notes understand the basis on which they are calculated. They should not be considered as alternatives to corresponding measures determined in accordance with AAS. In addition, such measures may not be comparable to similar measures presented by other companies.

The non-AAS measures we use include:

- Average revenue per user, or ARPU, which is broadly calculated by dividing our recurring telecommunications revenue generated from the provision of ongoing wholesale broadband access products to retail service providers under the WBA by the average number of connections during the period.

- Business revenue is the portion of our telecommunications revenue that we calculate was derived from premises used to operate a business.

- EBITDA is earnings before net finance costs, tax, other non-operating income, depreciation and amortisation and gains or losses on derivatives measured at fair value. We also present EBITDA before subscriber costs, which is the same measure, but subtracting subscriber costs for the period.

- Funds from operations, which is calculated as EBITDA before subscriber costs, less interest paid on related party borrowings, borrowings and other financial liabilities, and interest paid on lease liabilities.

- Operating expenses is the total of direct network costs, employee benefit expenses and other operating expenses (excluding subscriber costs). Beginning in FY23, we record any subscriber

costs in other operating expenses. Prior to FY23, subscriber costs were separately disclosed in the statement of profit or loss.

- Net borrowings is total borrowings (excluding transaction costs and fair value movements) less unrestricted cash and cash equivalents.

- Net cash flows from operating activities excluding subscriber costs is net cash flows provided by/(used in) operating activities less cash payments for subscriber costs, excluding GST.

- Residential revenue is the portion of our telecommunications revenue that we calculate was derived from premises used as a residence.

- Total borrowings (excluding transaction costs and fair value movements) is the total borrowings excluding accrued interest, capitalised establishment fees and transaction costs, fair value and foreign exchange movements.

- Total outstanding debt instruments utilised is the total borrowings (excluding transaction costs and fair value movements) less any drawdowns from the bank overdraft facility.

- Total capitalisation includes total borrowings (excluding transaction costs and fair value movements) plus total equity.

- Total debt includes total borrowings, other financial liabilities and lease liabilities.

We present EBITDA because it is a widely used indication of the cash generation potential of a business and is used by investors, analysts and others to measure performance, compare performance between periods and compare the results of different companies. However, it does not have a standard definition, and the way we calculate EBITDA may differ from that of other companies. It should not be considered as an alternative to, or in isolation from, profit or loss before income tax, cash flows from operating activities or any other measure calculated in accordance with AAS.

Subscriber costs primarily consist of the payments we are contractually obliged to make to Telstra for each premises it disconnects from its own network once the NBN fixed-line network is available in an area and to Optus for each subscriber they migrate to the NBN fixed-line network, as well as small amounts of expenditure for medical alarm and satellite subsidy schemes. With the completion of the initial build phase of the network, subscriber costs have virtually ceased in FY23 and we do not expect to incur substantial subscriber costs in periods after FY23. In order to present our results on a basis consistent with our expected future results, we also present EBITDA before subscriber costs.

The following table shows the calculation of EBITDA and EBITDA before subscriber costs for FY23, FY22 and FY21.

	FY23	FY22	FY21
		(A$ million)	
Revenue	5,269	5,103	4,629
Operating expenses[(1)]	(1,808)	(1,857)	(2,048)
Other operating income	133	43	—
EBITDA before subscriber costs	**3,594**	**3,289**	**2,581**
Subscriber costs	(1)	(175)	(1,226)
EBITDA	**3,593**	**3,114**	**1,355**
Depreciation and amortisation expense	(3,082)	(3,541)	(3,596)
Net finance costs	(1,658)	(1,470)	(1,621)
Other non-operating income	35	30	24
Gain on derivatives measured at fair value	3	—	—
Income tax (expense)/benefit	(10)	399	1
Loss for the year	**(1,119)**	**(1,468)**	**(3,837)**

Notes:
(1) Operating expenses exclude subscriber costs.

We present funds from operations as it is a credit metric that we use to monitor the performance of our business. The following table shows the calculation of funds from operations for FY23, FY22 and FY21.

	FY23	FY22	FY21
		(A$ million)	
EBITDA	3,593	3,114	1,355
Add: Subscriber costs	1	175	1,226
EBITDA before subscriber costs	**3,594**	**3,289**	**2,581**
Interest paid on related party borrowings, borrowings and other financial liabilities	(693)	(540)	(750)
Interest paid on lease liabilities	(877)	(838)	(743)
Total cash interest paid	**(1,570)**	**(1,378)**	**(1,493)**
Funds from operations	**2,024**	**1,911**	**1,088**

The following table shows the calculation of total borrowings (excluding transaction costs and fair value movements) from total borrowings as at 30 June 2023.

	As at 30 June 2023
	(A$ million)
Current borrowings	2,109
Current related party borrowings	5,500
Non-current borrowings	18,207
Total borrowings	**25,816**
Accrued interest on borrowings	(111)
Fair value and foreign exchange movements	27
Capitalised establishment fees and transaction costs on borrowings	91
Total borrowings (excluding transaction costs and fair value movements)	**25,823**
Bank overdraft	—
Total outstanding debt instruments utilised	**25,823**

The following table shows the calculation of total debt from total borrowings and lease liabilities as at 30 June 2023 and 30 June 2022.

	As at 30 June	
	2023	2022
	(A$ million)	
Current borrowings	2,109	72
Current related party borrowings	5,500	—
Non-current borrowings	18,207	18,132
Non-current related party borrowings	—	6,375
Total borrowings	**25,816**	**24,579**
Current lease liabilities	479	440
Non-current lease liabilities	11,033	10,511
Total lease liabilities	**11,512**	**10,951**
Total debt	**37,328**	**35,530**

We caution that our allocation of telecommunications revenue into business revenue and residential revenue may not be exact due to the difficulty of determining whether certain premises are primarily residential or used to operate businesses.

GENERAL

In this offering circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

GLOSSARY

5G	The fifth-generation global mobile network standard
ABBRR	Annual building block revenue requirement
ACCC	The Australian Competition and Consumer Commission
Asymmetrical	Describes a data service with unequal download and upload rates
AVC	Access virtual circuit
Backhaul network	The intermediate portion of a network that transmits data from a core network to an edge network. In the context of this offering circular, it refers to the third party networks that connect the global internet with the NBN
CIR	Committed information rate is a bandwidth rate that we guarantee to supply under normal conditions
CPI	The Australian consumer price index published by the Australian Bureau of Statistics
CVC	Connectivity virtual circuit
Dark fibre	Installed but unused optical fibre
Definitive Agreements	Our revised definitive agreements with Telstra. See "Business — Telstra relationship"
Department of Communications	The Australian government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts, and, where applicable, its predecessors and successors as a shareholder Department of NBN Co
EMTN	Euro medium-term note
Fixed-line	Collectively refers to FTTB, FTTC, FTTN, FTTP and HFC.
FTTB	Fibre-to-the-building
FTTC	Fibre-to-the-curb
FTTN	Fibre-to-the-node
FTTP	Fibre-to-the-premises
GBE	Government business enterprise
GMTN	Global medium-term note
HFC	Hybrid fibre coaxial
ICRA	Initial cost recovery account
Layer 2	The data link layer of the seven-layer Open Systems Interconnection model of computer networking
Layer 3	The network layer of the seven-layer Open Systems Interconnection model of computer networking
LTRCM	Long term revenue constraint methodology

Megabits per second (Mbps)	A unit of measurement of transmission speeds equal to one million bits per second. X/Y Mbps means an indicative downstream speed of X Mbps and an indicative upstream speed of Y Mbps
Minister for Communications	The Australian government Minister for Communications, and, where applicable, her predecessors and successors as a Shareholder Minister of NBN Co
Minister for Finance	The Australian government Minister for Finance, and, where applicable, her predecessors and successors as a Shareholder Minister of NBN Co
MRP	Maximum regulated price
Net premises activated	For a given period, the sum of first time activations and reconnections less deactivations
Optus	Singtel Optus Pty Limited
Ready to connect	A premises is ready to connect when an NBN service order can be placed and the service can be connected within an area that has been declared ready for service.
SAU	Special Access Undertaking
Standard Form of Access Agreement, or SFAA	A Standard Form of Access Agreement, or SFAA, sets out our pricing and access terms. Our principal SFAA is the Wholesale Broadband Agreement, or WBA. We are prohibited by legislation from supplying certain regulated services ("eligible services") unless we have published an SFAA in relation to the service or other circumstances are met.
Shareholder Ministers	The Minister for Communications and the Minister for Finance
Subscriber costs	Subscriber costs primarily consist of the payments we are contractually obliged to make to Telstra for each premises it disconnects from its own network once the NBN fixed-line network is available in an area and to Optus for each subscriber they migrate to the NBN fixed-line network, as well as small amounts of expenditure for medical alarm and satellite subsidy schemes.
Symmetrical	Describes a data service with equivalent download and upload rates
Telstra	Refers (depending on context) to Telstra Group Limited, Telstra Corporation Limited (which, following a restructure described in "Business—Telstra Relationship", is a subsidiary of Telstra Group Limited holding the Telstra Group's fixed infrastructure assets and prior to the restructure, was the parent company of the Telstra Group) or Telstra Limited (which, following the restructure, is a subsidiary of Telstra Group Limited holding the Telstra Group's active mobile network assets and its retail and wholesale business). See "Business—Telstra Relationship" for further information.
Terabits per second (Tbps)	A unit of measurement of transmission speeds equal to one trillion bits per second
VoIP	Voice over Internet Protocol
WBA	Wholesale Broadband Agreement

SUMMARY

This summary highlights information contained elsewhere in this offering circular. This summary is qualified by, and must be read in conjunction with, the more detailed information and the financial statements incorporated by reference herein. We urge you to read this entire offering circular carefully, including our financial statements and related notes and "Risk Factors".

Overview

Background

NBN Co was established by the Australian government in 2009 to design, build and operate Australia's national wholesale broadband access network, known as the NBN. The NBN is a wholesale-only open access data network that delivers high speed broadband services to households and businesses in metropolitan and regional areas of Australia.

We were established as a government business enterprise to fulfil the national policy objective of lifting Australia's digital capability. To achieve this, we are tasked with ensuring the availability of reliable and affordable high speed internet services across metropolitan and regional Australia, an objective that carries bipartisan government support. As the sole shareholder, the Australian government continues to maintain a high level of engagement in NBN Co's strategic direction, including the periodic release of a Statement of Expectations which outlines the Australian government's broadband policy objectives. For a description of our ownership structure, see "Relationship with the Australian government".

We have historically received significant financial support from the Australian government. Prior to FY23, we received A$29.5 billion of equity and A$19.5 billion of loans to enable us to complete the initial build phase of the network. In October 2022, the Australian government announced that it would invest a further A$2.4 billion of equity to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. In June 2023, we received the first A$305 million of this funding. The Australian government has also provided guarantees on certain external obligations[1]. As a government business enterprise, we maintain significant ongoing engagement with the Australian government and are required to comply with transparency and reporting obligations to our Shareholder Ministers under the Public Governance, Performance and Accountability Act of 2013 (Cth), or PGPA Act. This includes preparing an annual corporate plan that outlines the future strategy of the business as well as providing updates to the Shareholder Ministers on key matters. The close working relationship with the Australian government extends to corporate governance. Each member of NBN Co's board of directors has been appointed by the Australian government.

We remain 100% owned by the Australian government and are subject to specific legislation, the National Broadband Network Companies Act of 2011, which stipulates a defined and prescriptive process for privatisation. These steps include a Productivity Commission inquiry and Parliamentary Joint Committee examination as prerequisites for the potential privatisation of the business.

The current Australian government, which has held office since May 2022, has stated that it will retain NBN Co in public ownership for the foreseeable future.

Our network

We commenced construction of the network in 2010 and completed the initial build phase of the network in June 2020. As at 30 June 2023, the NBN was available to approximately 12.3 million Australian premises, of which more than 8.5 million premises were connected to the NBN. As at 31 December 2022, connections to the NBN accounted for 95% of Australian fixed-line residential broadband connections[2]. For further information on our network, see "Business".

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[1] The Commonwealth has provided a guarantee to Telstra and Optus for the payments required to be paid by NBN Co to the two parties under the Definitive Agreements with Telstra and the Optus HFC Subscriber Agreement

[2] Source: ACCC, Internet activity report for the period ending 31 December 2022. The report draws on data provided by 13 different retail service providers (Aussie Broadband, Australian Private Networks, Dodo, Harbour ISP, iiNet, IP Star Australia, MyRepublic, Primus, Optus, SkyMesh, Telstra, TPG Corporation and TPG Telecom)

Building our network has positioned us as one of the largest Australian companies by total assets (measured in book value). Our national reach and decade-long investment program reinforce our infrastructure-like qualities and high barriers to entry to compete on a similar scale. Our network comprises over 300,000 kilometres of fibre-optic cable, over 2,300 fixed wireless towers and two satellites deployed to provide broadband internet services over a "multi-technology mix" network. The following table illustrates the technology mix of the NBN as at 30 June 2023.

Technology	% of premises[(1)]
Fibre-to-the-Premises (FTTP)	20
Fibre-to-the-Node (FTTN)	33
Fibre-to-the-Building (FTTB)	5
Fibre-to-the-Curb (FTTC)	12
Hybrid Fibre Coaxial (HFC)	21
Fixed Wireless	6
Sky Muster Satellite	3

Notes:

(1) Percentage of ready to connect premises. A premises is ready to connect when an NBN service order can be placed and the service can be connected within an area that has been declared ready for service.

Together, our fixed-line, fixed wireless and satellite technologies create a network that spans Australia. Our network connects to 121 "points of interconnection" where end user traffic is handed over between the NBN and the networks of our retail service provider customers.

We have been undertaking a series of network upgrades designed to make our highest residential speed tier (that is, "Home Ultrafast" services at peak wholesale download speeds of 500 Mbps to close to 1 Gbps) available to more of our fixed-line network. In October 2022, the Australian government announced that it would invest A$2.4 billion to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. This funding will be provided in the form of equity injections under an Equity Funding Agreement signed in June 2023. In June 2023, we received the first A$305 million under this Agreement. We are also undertaking a A$750 million investment to upgrade services within our fixed wireless and satellite footprint in order to provide faster broadband across regional Australia. The Australian government has contributed a grant of A$480 million towards this investment.

As at 30 June 2023, around 6.9 million premises can order Home Ultrafast services. This comprises 2.4 million premises currently covered by FTTP connections and 2.0 million premises currently covered by FTTN or FTTC connections that can access Home Ultrafast via an FTTP upgrade. Our entire HFC network, covering around 2.5 million premises, can also access Home Ultrafast services. By December 2025, we expect that approximately 90% of premises in the fixed-line footprint will be able to order a Home Ultrafast service.

Our investment plan also includes dedicated regional co-investment funds and business fibre programmes to help push NBN fibre and fixed wireless deeper into regional communities and support the digitisation of Australian businesses.

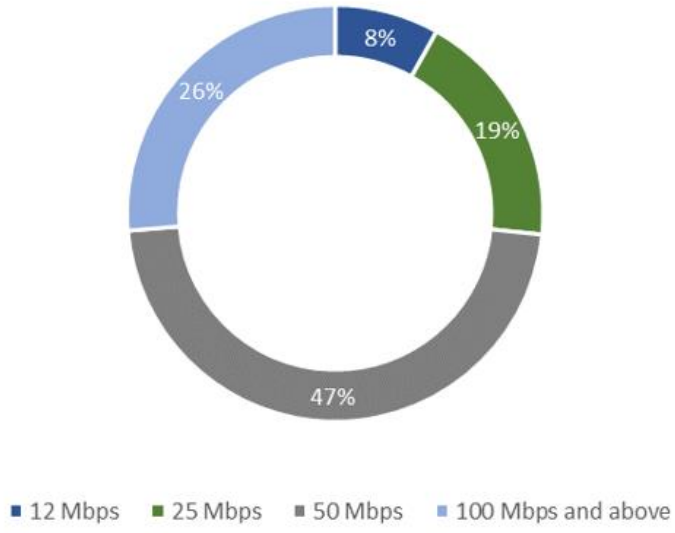
Our customers and products

As a wholesale network operator, we provide access to the NBN and related activities to access seekers, including retail service providers, on a non-discriminatory basis. This approach seeks to help to level the playing field in the Australian telecommunications industry, enhancing competition and providing greater choice for customers across the country. End users connect to the NBN through retail service providers for access to high speed broadband. Retail service providers contract with the end users and manage most aspects of the commercial relationship, including onboarding, billing and customer support services, while we are responsible for installing and maintaining the connection to end user premises.

We earn the vast majority of our revenue from retail service providers, which purchase wholesale broadband products to integrate into their internet protocol networks and systems to create retail broadband services for their end users. The remainder of our revenue comes from construction and lease activity, as well as licensing fees from Telstra for the right to access copper and HFC networks and deliver legacy services for a limited period after the NBN fixed-line network becomes available in an area Telstra previously served.

Our products have been constructed to allow retail service providers to take advantage of a flexible set of features to sell services over the NBN to their residential, business, enterprise and government customers. We sell a range of wholesale broadband access products provided over the NBN with indicative Layer 2 download

speeds ranging from 12 Mbps to up to close to 1000 Mbps. The following chart shows our end users by the wholesale speed tier of the plan under which they are connected as at 30 June 2023.



Based on data gathered by the ACCC, for the three months to December 2022, NBN services averaged 452 gigabytes per month of downloads, an increase of 12% compared to 404 gigabytes per month for the corresponding reporting period ended December 2021.[3] Increased household bandwidth requirements have driven significant uptake in higher speed plans, particularly 50Mbps and above plans, with these activations increasing from 2.7 million services to 6.4 million services between December 2018 and June 2023.[4] Higher speed plans command higher prices than lower speed tiers, and the uptake of higher speed plans has been a key lever for our revenue and margin growth. In addition, we believe that the initial phase of the COVID-19 pandemic accelerated the shift in home consumption trends which have supported the increased take-up and consumption of home broadband.

The end users of our products can be divided into a market of residential end users and one of business end users:

- Residential market (78.5% of FY23 telecommunications revenue[6]): The residential market comprises end users in residential premises, which generally connect via a general-purpose data connection. The delivery of fixed broadband to residential customers is generally separated into retail services (for example, Telstra, Optus) and wholesale-only infrastructure access (for example, NBN Co). The retailing of fixed broadband services to households is relatively concentrated in Australia, with the top five retail service providers, Telstra, TPG, Optus, Vocus and Aussie Broadband comprising approximately 91.6% of total services in operation on the NBN as at 30 June 2023.[5]

- Business market (21.5% of FY23 telecommunications revenue[6]): The business broadband market comprises businesses, institutions and enterprises that have a range of broadband requirements from general purpose services to business grade internet services. General purpose services are offered based on peak information transfer rates and are delivered on a best efforts basis. Business grade services can be structured to deliver committed information transfer rates that guarantee download and upload speeds, and can be offered on symmetrical download and upload speeds. The leading retail service providers of business grade broadband typically offer services on a vertically integrated basis. As a result, the business grade broadband market is mainly shared by Telstra, Optus, TPG and Vocus.

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3 Source: ACCC, Internet activity report for the period ending 31 December 2022
4 Source: ACCC NBN Wholesale Market Indicators Report, December quarter 2018 and June quarter 2023 reports
5 Source: ACCC NBN Wholesale Market Indicators Report, June quarter 2023 report
6 Non-telecommunications revenue comprised approximately 2.5% of FY23 revenue

Transitioning end users to the NBN

Before we were established, Telstra and Optus were the two leading owners of telecommunications networks capable of delivering fixed-line internet services in Australia. In 2011, we entered into commercial agreements with both Telstra and Optus to facilitate the migration of most of their residential fixed-line customers to the NBN fixed-line network as it became ready for service. Under these agreements, which were amended in 2014 to reflect the multi-technology mix model, we paid a fixed fee to Telstra for each customer disconnected from existing Telstra fixed-line services and to Optus per customer migrated to the NBN fixed-line network. We recorded these fees as "subscriber costs" in our income statement. With the completion of the initial build phase of the network, subscriber costs have virtually ceased in FY23 and we do not expect to incur substantial subscriber costs in subsequent periods. We have taken ownership of parts of Telstra's existing copper network where it is used in the NBN and all of Telstra's HFC network. Similarly, Optus agreed to transfer the parts of its HFC network that we elected to incorporate into the NBN and to decommission the remainder of its network.

See "Business— Telstra relationship*"* for further information.

Regulatory framework and pricing

Regulation is an important factor in the way we operate our business. In particular, we are subject to a number of laws and regulations in relation to governance and internal risk management that arise as a result of ownership by the Australian government. Laws and regulations also govern the terms on which we offer our services, the prices we can charge and the range of activities that we are permitted to undertake.

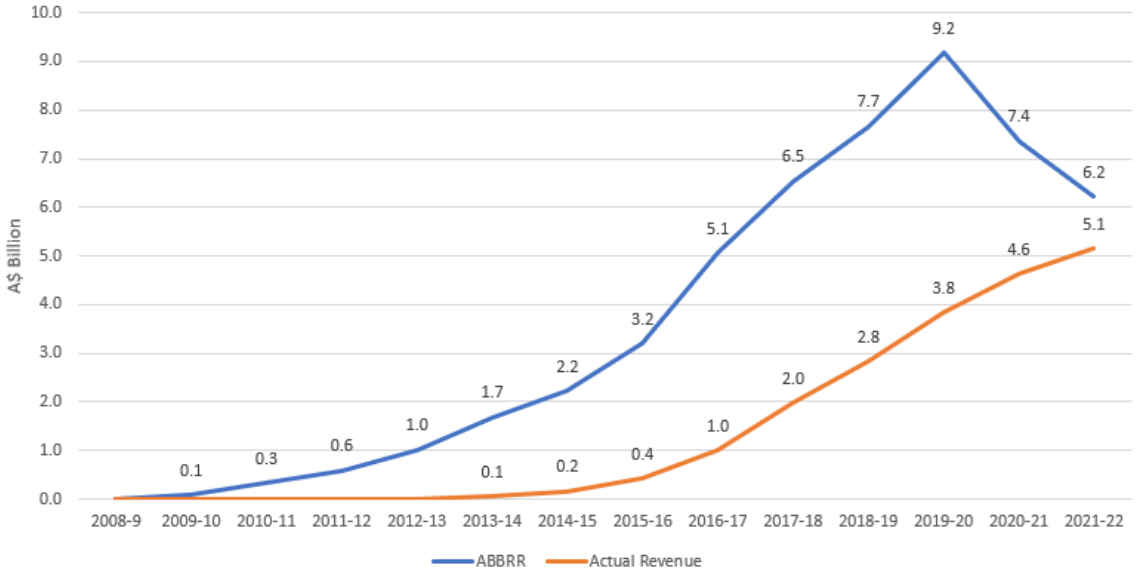
The regulatory framework governing our pricing and access terms is supervised by the ACCC, an independent Commonwealth statutory authority whose role is to regulate certain industries and to enforce competition and consumer legislation in Australia. Many of the terms that govern pricing and access to our FTTP, fixed wireless and satellite services are set out in our Special Access Undertaking, or SAU. The SAU is a regulatory undertaking given to the ACCC by us that creates binding obligations that can be enforced by the ACCC and affected parties. The SAU was accepted by the ACCC in December 2013 and will expire in 2040. The SAU may be varied if the ACCC accepts a variation we propose.

We offer commercial pricing and access terms via a Standard Form of Access Agreement known as our Wholesale Broadband Agreement, or WBA. When entered into by us and a customer, it forms a commercial contract setting out the terms and conditions of the supply of services over our entire network, including pricing and service level commitments. The WBA allows NBN Co to achieve commercial outcomes and optimise take-up and returns within the constraints of the regulatory framework and market context. The WBA has generally been negotiated every two to three years as part of our ongoing engagement with retail service providers and other stakeholders. We agreed to WBA4, the latest iteration of the WBA, in December 2020. We continue to contract with retail service providers on the basis of WBA4, and we have proposed to extend the term of WBA4 until 31 January 2024 to cover the period until our proposed amended SAU has been accepted by the ACCC and WBA5, the next iteration of the WBA, becomes effective.

We have been engaged in a process of consultation with retail service providers and the ACCC to update our SAU to, among other things, expand the network technologies covered by the SAU and reflect a revised pricing construct. We initially submitted an SAU variation to the ACCC in March 2022, but withdrew it in July 2022 following feedback from the ACCC and industry stakeholders. We submitted a revised SAU variation in November 2022. In May 2023, the ACCC released draft decision to reject the variation. On 14 August 2023, we submitted a further revised SAU variation to the ACCC, which it is currently assessing. See "Business—Pricing and regulation", "Regulation—Our Current Special Access Undertaking" and "Regulation—Variation of the SAU" for further information.

Our pricing for the network technologies that are covered by the current SAU (that is, FTTP, fixed wireless and satellite) is subject to maximum regulated prices, or MRPs. Under the current SAU, we are permitted to increase those maximum regulated prices each year by an amount not exceeding the Australian Consumer Price Index, or CPI, a measure of inflation, less 1.5%. However, market-based considerations have resulted in our prices remaining below our regulatory limits and, to date, we have not increased the MRPs under this mechanism. See "Business—Pricing and regulation" for a table that illustrates the gap between our current price and the MRP for a selection of our broadband bundles.

To date, the annual revenue we would have been permitted to earn under the SAU has significantly exceeded our actual revenues. In addition to the price controls applicable to the MRPs, the amount of revenue we are permitted to earn annually is subject to a cap under the SAU known as the annual building block revenue requirement, or ABBRR. Under the current SAU, this cap would not act to limit us in the amount of revenue we can recover in any given year until the balance of our initial cost recovery account, or ICRA, is reduced to zero. Given the amount of our ICRA, under the terms of the current SAU we do not anticipate that the SAU would constrain the revenue we are able to earn from the market in the foreseeable future. The graph below illustrates our actual revenues against our ABBRR for FY09 to FY22.[7] To address ACCC concerns in relation to the size and future trajectory of the ICRA, the revised SAU would limit the maximum amount of ICRA to be recovered within the remaining term of the SAU (i.e. to 30 June 2024) to A$12.5 billion, to be indexed annually for inflation. See "Regulation—Pricing and revenue caps", "Regulation—Our Current Special Access Undertaking" and "Regulation—Variation of the SAU" for more information.



The ACCC also has the right to intervene and make determinations on non-SAU covered technologies (that is, HFC, FTTB, FTTC and FTTN) under its Part XIC powers. These powers give the ACCC the power to regulate and enforce regulatory obligations in a manner that, among other things, promotes competition, protects the interests of end users and ensures the efficient use of and investment in infrastructure. As at the date of this offering circular, the ACCC has no outstanding formal public inquiries into NBN Co under Part XIC. The ACCC is currently considering the SAU variation we lodged on 14 August 2023. See "Regulation" for further information.

In addition to changes on pricing regulation, we have proposed to embed benchmark service standards as part of our amended SAU proposal that will provide the industry with greater certainty regarding network performance. We will also establish new processes to report our performance and revise our benchmarks, and establish new powers for the ACCC to set benchmark service standards. See "Regulation—Variation of the SAU" for further information.

7 Data for FY23 will not be available until October 2023 when we provide updated values to the ACCC in accordance with our annual reporting process

Financial snapshot

For the twelve months ended 30 June 2023 (FY23), we earned revenue of A$5.3 billion and EBITDA of A$3.6 billion and had a net loss for the year of A$1.1 billion.

Our initial build phase was primarily funded by equity contributions and loans from the Australian government, totalling A$29.5 billion of equity and A$19.5 billion of loans to our business prior to 2020. Since 2020 and as at 30 June 2023, we have raised A$26.8 billion from debt capital markets and bank facilities, with A$5.7 billion raised during FY23, excluding our overdraft facility. We used A$875 million of the proceeds to repay a portion of our government borrowings in FY23. The remainder of our government borrowings (A$5.5 billion as at 30 June 2023) mature in June 2024. We plan to continue to borrow from third party lenders and debt capital markets in order to repay our government borrowings prior to or at maturity. As at 30 June 2023, our net borrowings were A$25.8 billion and we had committed liquidity of A$4.5 billion to support ongoing business activities (comprising unrestricted cash and undrawn bank facilities less promissory note issuances and our overdraft facility).

We currently have long-term credit ratings from Moody's Investors Service Pty Limited (Aa3) and Fitch Australia Pty Limited (AA). Both agencies have identified their expectation of Australian government support as a key driver of our rating (the Australian government is rated AAA). We expect our maturing operating profile and the continuing demand for broadband to support growth in EBITDA and cash flow and improving credit metrics on a standalone basis.

Our people

As at 30 June 2023, we had a workforce of approximately 4,475 full-time equivalent employees and temporary contractors. Substantially all of our employees are located in Australia.

Key strengths

Established by the Australian government to ensure all Australians have access to affordable high speed broadband – We are wholly-owned by the Australian government and are the legislated default statutory infrastructure provider for wholesale broadband in Australia. We are tasked with fulfilling a bipartisan Australian government policy objective to enable access to affordable high speed broadband for all Australians.

Sole provider of critical nationwide fixed-line broadband infrastructure – We operate as a wholesale access network with no fixed-line competitors of comparable scale. As at 31 December 2022, approximately 95% of total fixed-line residential broadband internet services in operation in Australia were with NBN. While our residential business faces competition from smaller fixed-line broadband providers, wireless technologies such as 5G, and low Earth orbit satellite technologies, we believe that our competitors and new entrants are unlikely to build a network with comparable coverage and capacity due to the high capital investment required and the current scale, coverage, reliability and resilience of our network.

Digital backbone of Australia, underpinned by modern, high quality and resilient network – Since 2009, we have invested more than A$50 billion to build a reliable and resilient nationwide multi-technology network.

We have been undertaking a series of network upgrades designed to make our highest residential speed tier (Home Ultrafast) available to more of our fixed-line network. In October 2022, the Australian government announced that it would invest A$2.4 billion to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. We are also undertaking a A$750 million investment (to which the Australian government has contributed A$480 million) to upgrade services within our fixed wireless and satellite footprint in order to provide faster broadband across regional Australia.

As at 30 June 2023, around 6.9 million premises can order Home Ultrafast services. This comprises 2.4 million premises currently covered by FTTP connections and 2.0 million premises currently covered by FTTN or FTTC connections that can access Home Ultrafast via an FTTP upgrade. Our entire HFC network, covering around 2.5 million premises, can also access Home Ultrafast services. By December 2025, we expect that approximately 90% of premises in the fixed-line footprint will be able to order a Home Ultrafast service.

Emergence of broadband as an essential utility driven by evolving household internet consumption habits – Australian data consumption habits and requirements have undergone rapid evolution in recent years and data usage has accelerated due to the impacts of COVID-19, working from home arrangements and the uptake of technologies such as video streaming and online gaming. The total volume of data downloaded across the NBN increased from 6.3 million terabytes in the quarter ended June 2020 to 10.1 million terabytes in the quarter ended December 2022.[8]

Robust financial outlook underpinned by high penetration and a gradual shift to higher speed tiers – As at 30 June 2023, approximately 70% of premises that are able to connect to the NBN had done so, providing us (through their respective retail service providers) with a substantial user base that depends on our products. We expect that as available network speeds increase and existing and new applications that require high bandwidth proliferate, over time, more users will take up higher-priced higher speed tier plans, supporting revenue growth. Although the percentage of users on plans with peak wholesale download speeds of 50 Mbps or above declined to 73% at 30 June 2023 from 76% at 30 June 2022, the percentage on plans of 100 Mbps or higher grew from 18% at 30 June 2022 to 26% at 30 June 2023.

Strong investment grade rating supported by Australian government – We have a long-term credit rating of Aa3 by Moody's and AA by Fitch. Both agencies identified the level of Australian government support as a key driver of our rating. We expect our maturing operating profile and continuing demand for broadband to support growth in profitability, cash flows and improving standalone credit metrics.

Transparent and established regulatory environment – The regulatory framework governing access to our network has been in place since 2011 and the ACCC accepted our Special Access Undertaking in 2013. We maintain a constructive relationship with the ACCC to cultivate a stable operating environment with a direct line of communication with our regulator. We have been engaged in a process of consultation with retail service providers and the ACCC to update our SAU to, among other things, reflect a revised pricing construct. While the outcome of this process is not final as of the date of this offering circular, we believe that it will reflect a comprehensive and transparent process in which the interests of all stakeholders have been carefully considered. See "Business—Pricing and regulation", "Regulation—Our Current Special Access Undertaking" and "Regulation—Variation of the SAU" for further information.

Strategic priorities

Our principal responsibility is to operate and continue to build and upgrade the NBN network in accordance with the Australian government's Statement of Expectations published in December 2022. The government has stated that it will direct us to expand full-fibre access to more homes and businesses and ensure the NBN network delivers for consumers and facilitates productivity. We aim to achieve this by progressing the following strategic pillars:

- Developing a product and pricing portfolio that addresses our customers' diverse needs.
- Ensuring everyone across Australia has access to high speed, resilient and secure broadband.
- Delivering a customer experience that drives satisfaction, use and network preference.
- Strengthening partnerships with government, industry and community to optimise customer benefits.
- Building capabilities for the future and growing profitably to enable re-investment to benefit our customers.
- Keeping NBN Co a great place to work, underpinned by a customer-led culture.

[8] ACCC, Internet activity report for the period ending 31 December 2022

Corporate information

NBN is wholly-owned by the Commonwealth of Australia as a government business enterprise, incorporated under the Australian Corporations Act and operated in accordance with the Public Governance, Performance and Accountability Act 2013.

Our head offices are located in Sydney and Melbourne, Australia. Our registered addresses at these locations are Level 13, 100 Mount Street, North Sydney NSW 2060, Australia and Tower 5, Level 14, 727 Collins Street Docklands VIC 3008, Australia.

Our corporate internet website is https://www.nbnco.com.au. The information on our corporate website does not constitute a part of this offering circular.

Organisational structure

We conduct all our business through NBN Co Limited and have no subsidiaries.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this offering circular and, in relation to the terms and conditions of any particular Tranche or Series of Notes, the applicable Pricing Supplement. Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this summary. Other words and expressions used in this summary and not otherwise defined in this summary shall have the meanings ascribed to such words and expressions appearing elsewhere in this offering circular.

A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed upon by and between the Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set forth in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "Forms of Notes" below.

Issuer	NBN Co Limited (ACN 136 533 741), a company incorporated under the laws of the Commonwealth of Australia
Issuer Legal Entity Identifier (LEI)	2549007CRZ2NT7S96A24
Description	Global Medium Term Note Programme
Programme Limit	Up to U.S.$50,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase this amount in accordance with the terms of the Programme Agreement.
Arranger	Citigroup Global Markets Inc.
Dealers	BNP Paribas BofA Securities, Inc. Citigroup Global Markets Inc. Citigroup Global Markets Limited Deutsche Bank AG, London Branch Goldman Sachs & Co. LLC HSBC Bank plc J.P. Morgan Securities LLC Morgan Stanley & Co. LLC
EU Principal Paying Agent	The Bank of New York Mellon, London Branch
U.S. Principal Paying Agent	The Bank of New York Mellon
Paying Agents	The EU Principal Paying Agent, the U.S. Principal Paying Agent and any other paying agents appointed from time to time by the Issuer as paying agent in respect of any Notes pursuant to the Agency Agreement.
Calculation Agent	If any, as specified in the applicable Pricing Supplement or appointed from time to time by the Issuer as calculation agent in respect of any Notes pursuant to the Agency Agreement.
EU Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch
U.S. Registrar	The Bank of New York Mellon
Agents	The Paying Agents, Calculation Agent, EU Registrar, U.S. Registrar and Transfer Agent.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euro, UK pounds sterling,

	U.S. dollars, Japanese yen or any other currency agreed between the Issuer and the relevant Dealer.
Denomination.....	Definitive Notes will be in denominations as may be specified in the applicable Pricing Supplement (the "Specified Denomination"), save that, unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in UK pounds sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum Specified Denomination of £100,000 (or its equivalent in other currencies) and the minimum denomination of each Note to be sold in the United States in reliance on Rule 144A shall be U.S.$200,000 (or its equivalent in other currencies) and integral multiples of U.S.$1,000 (or its equivalent in other currencies) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. The minimum Specified Denomination of each Note offered to the public in a member state of the EEA or in the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation or the UK Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the date of issue of the Notes).
Form of Notes.....	The Notes may be issued in either bearer form or in registered form as described in "Form of the Notes". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Clearing Systems.....	Euroclear and/or Clearstream, Luxembourg for Bearer Notes; DTC, Euroclear and/or Clearstream, Luxembourg for Registered Notes; and, in relation to any Tranche, such other clearing system as may be agreed.
Maturities	Subject to compliance with all relevant laws, regulations and directives, Notes may have any maturity that is one month or greater.
Method of Issue.....	Notes may be distributed by way of private placement on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this offering circular (a "Pricing Supplement").
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Use of proceeds	Unless we specify otherwise in the applicable Pricing Supplement, we intend to use the net proceeds from the sales of Notes for general corporate purposes, which may include repaying borrowings under our loan facility with the Australian government, of which A$5.5 billion remained outstanding as at 30 June 2023.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions, published by the International Swaps and Derivatives Association, Inc. ("ISDA") and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series), or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Notes of the relevant Series) as specified in the applicable Pricing Supplement; or (b) on the basis of the reference rate set out in the applicable Pricing Supplement. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Zero Coupon Notes	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Benchmark Discontinuation	In the case of Floating Rate Notes, if the Issuer determines that a Benchmark Event has occurred, the relevant benchmark or screen rate may be replaced by a Successor Rate or, if there is no Successor Rate but the Issuer determines there is an Alternative Rate (acting in good faith and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser), such Alternative Rate. An Adjustment Spread may also be applied to the Successor Rate or the Alternative Rate (as the case may be), together with any Benchmark Amendments (which in the case of any Alternative Rate, any Adjustment Spread unless formally recommended or provided for and any Benchmark Amendments shall be determined by the Issuer, acting in good faith and by reference to such sources as it deems appropriate,

	which may include consultation with an Independent Adviser). For further information, see Condition 5.4.
Redemption	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders, upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
Taxation.....	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the Commonwealth of Australia unless required by applicable law, as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted. It is the intention that the Notes will be issued in a manner which will seek to satisfy the "public offer" test under section 128F(3) or 128F(4) of the Income Tax Assessment Act 1936 (Cth) of Australia.
Tax Redemption	The Issuer may redeem the Notes in whole, but not in part, at any time on giving not less than 30 days' nor more than 60 days' notice to the Principal Paying Agent (specified in the applicable Pricing Supplement) and the Noteholders if the Issuer determines that: • on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of Australia or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issuance of such Notes; and • such obligation cannot be avoided by the Issuer taking reasonable measures available to it.
Issuer Call.....	If specified in the applicable Pricing Supplement, the Issuer may redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.
Certain Covenants:	
Negative Pledge.....	The terms of the Notes will contain a negative pledge provision as further described in Condition 4. So long as any Note remains outstanding, the Issuer will not create, or allow to subsist, any Security Interest other than a Permitted Security Interest upon the whole or any part of its present or future assets or revenues to secure any other

indebtedness, unless the Issuer promptly takes any and all action necessary to ensure that:

(a) all amounts payable by the Issuer under the Notes are secured by the Security Interest equally and rateably with that other indebtedness; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as shall be approved by an Extraordinary Resolution (as defined in Schedule 4 of the Agency Agreement) of the Noteholders.

"Permitted Security Interest" means:

- any Security Interest that arises by operation of law or which arises in the ordinary course of day-to-day business;
- any right of title retention in connection with the acquisition of assets in the ordinary course of business;
- any netting or set-off arrangement entered into in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- any Security Interest over or affecting any asset or any entity which is in existence prior to that asset or entity being acquired by the Issuer provided it was not created in contemplation of that acquisition;
- any Security Interest provided for by one of the following transactions, provided the transaction does not secure payment or performance of an obligation:
    - a transfer of an account or chattel paper;
    - commercial assignment; or
    - a PPS lease (as defined in the Personal Property Securities Act 2009 (Cth)); and
- any other Security Interests which do not in aggregate secure a principal amount exceeding 15% of Total Assets.

Change of Control Trigger Event..... If a Change of Control Trigger Event occurs, each Noteholder will have the right to require the Issuer to redeem all or a portion of that Noteholder's Notes at a price as specified in the applicable Pricing Supplement, together with accrued and unpaid interest, if any, to the date of redemption.

A "Change of Control Trigger Event" occurs if, on the first date of the period (the "Trigger Period") commencing upon, the earlier of:

- the occurrence of a Change of Control; and

- the date of the first public announcement of any Change of Control (or pending Change of Control),

and ending 90 days following the occurrence of that Change of Control (as such Trigger Period may be extended, as provided for below):

- the Notes carry an Investment Grade Rating from any rating agency and each such rating is, within the Trigger Period, either downgraded to below an investment grade rating or withdrawn and is not, within the Trigger Period, subsequently (in the case of a downgrade) upgraded to an investment grade rating by such rating agency or replaced by an investment grade rating of another rating agency; and

- in making any decision to withdraw or downgrade such rating pursuant to the previous paragraph, each relevant rating agency has expressly stated that such decision was as a result of the occurrence of that Change of Control (or pending Change of Control).

Where any rating agency has publicly announced that it is considering a possible ratings change in respect of the Notes within the period ending 90 days following the occurrence of a Change of Control, the Trigger Period will be extended for a period of not more than 60 days after the date of such public announcement.

Notwithstanding the foregoing, no Change of Control Trigger Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually occurred.

"Change of Control" means either:

- the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer to any "person" (as that term is used in Section 13(d)(3) of the U.S. Securities Exchange Act of 1934) other than to the Commonwealth of Australia; or

- the Commonwealth of Australia ceases to "control" (as defined for the purposes of section 50AA of the Australian Corporations Act) the Issuer.

Events of Default..... The following will constitute events of default under the Notes:

- non-payment of interest or principal, subject to customary grace periods;

- the Issuer fails to comply with any other covenant and such obligation is not capable of remediation or not remedied within 20 business days of a

	Noteholder notifying the Issuer of the non-compliance; • any Financial Indebtedness of the Issuer for an amount exceeding 1% of Total Assets is not paid when due or within any applicable grace period or is declared due and payable prior to its specified maturity date as a result of an event of default (however so described) and is not paid when due; • certain insolvency events occur in respect of the Issuer; • a Note is or becomes or is claimed to be wholly or partly invalid, void, voidable or unenforceable in any material respect; or • it is or becomes unlawful for the Issuer to perform any of its material obligations under the Notes. If an event of default occurs, the holders of not less than 25 per cent in principal amount of the Notes outstanding may, by written notice to the Issuer at the specified office of the Principal Paying Agent (as specified in the applicable Pricing Supplement), declare the Notes due and payable.
Status and Ranking of the Notes	The Notes will be direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer.
Issuer Rating.....	Moody's: Aa3 (Stable Outlook) Fitch: AA (Stable Outlook)
Programme Rating.....	Fitch: AA Moody's: Aa3
Rating of the Notes.....	Each Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the relevant credit rating agency. Each rating should be evaluated independently of any other rating. *Credit ratings are for distribution only to a person: (a) who is not a "retail client" within the meaning of section 761G of the Australian Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Australian Corporations Act; and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this offering circular and anyone who receives this offering circular must not distribute it to any person who is not entitled to receive it.*

Listing and Admission to Trading.....	We have applied to the SGX-ST for permission to deal in, and for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Any application for the listing of the Notes on the SGX-ST will be made separately with respect to each Series of Notes. There is no guarantee that an application for the listing of Notes on the SGX-ST will be approved by the SGX-ST. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies). Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Pricing Supplement in respect of any issue of Notes will specify whether or not such Notes will be listed on the SGX-ST.
Governing Law.....	The Notes and the Programme Documents, and any non-contractual obligations arising out of or in connection with the Notes or the Programme Documents, will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK, Australia, Hong Kong, Singapore, Japan, Canada, Taiwan, Korea and include additional jurisdictions and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "Subscription and Sale and Transfer and Selling Restrictions". Bearer Notes will be issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("TEFRA D") unless: • the applicable Pricing Supplement states that Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("TEFRA C"); or • Bearer Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the applicable Pricing Supplement as a transaction to which TEFRA is not applicable.
United States Selling Restrictions	Regulation S, Category 2. Rule 144A and TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.
ERISA Considerations	Unless otherwise provided in the applicable Pricing Supplement, the Notes (and interests therein) may be purchased and held by an "employee benefit plan" as defined in Section

	3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that is subject to the fiduciary responsibility provisions of Title I of ERISA, a "plan" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code or an entity whose underlying assets are deemed for purposes of ERISA or Section 4975 of the Code to include "plan assets" by reason of such employee benefit plan's or plan's investment in the entity (such employee benefit plans, plans and entities collectively referred to as "ERISA Plans"). Each purchaser and transferee of a Note (or any interest therein) will be deemed to have represented and warranted by its acquisition and holding of the Note (or any interest therein) that either (i) it is not, and is not acting on behalf of, an ERISA Plan or a governmental, church, non-U.S. or other plan that is subject to a U.S. federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("Similar Law"), or (ii) its acquisition, holding and disposition of the Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Similar Law). See "Certain ERISA and Related Considerations".
Risk Factors.....	There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand, a non-exhaustive summary of which is set out under "Risk Factors".

Summary Financial and Other Data

The summary audited financial information as at and for the financial years ended 30 June 2023, 2022 and 2021 has been derived from our audited financial statements as at and for the years ended 30 June 2023 and 2022 and which are incorporated by reference herein.

Our financial statements comply with the measurement principles of AAS and IFRS, which differ from U.S. GAAP. You should read the selected financial data set forth below together with the information in "Financial Information Presentation", "Operating and Financial Review" and "Risk Factors", and the financial statements incorporated by reference herein.

Statement of Profit or Loss and Other Comprehensive Income Data

	For the Year Ended 30 June		
	2023	**2022**	**2021**
		(A$ million)	
Revenue	5,269	5,103	4,629
Other income	168	73	24
Direct network costs	(618)	(730)	(666)
Employee benefits expenses	(698)	(647)	(829)
Other operating expenses	(493)	(480)	(553)
Subscriber costs[(1)]	—	(175)	(1,226)
Depreciation and amortisation expense	(3,082)	(3,541)	(3,596)
Net finance costs	(1,658)	(1,470)	(1,621)
Gain on derivatives measured at fair value	3	—	—
Loss before income tax	**(1,109)**	**(1,867)**	**(3,838)**
Income tax (expense)/benefit	(10)	399	1
Loss for the year	**(1,119)**	**(1,468)**	**(3,837)**
Loss attributable to the shareholder	**(1,119)**	**(1,468)**	**(3,837)**
Other comprehensive gain/(loss)			
Changes in the fair value of cash flow hedges, net of tax	(23)	905	(5)
Changes in the value of costs of hedging, net of tax	2	24	2
Total other comprehensive (loss)/gain for the year, net of tax	**(21)**	**929**	**(3)**
Total comprehensive loss for the year	**(1,140)**	**(539)**	**(3,840)**
Total comprehensive loss attributable to the shareholder	**(1,140)**	**(539)**	**(3,840)**

Notes:

(1) In our statement of profit or loss for FY22 and prior periods, we recorded subscriber costs separately. Beginning in FY23, we record any subscriber costs in other operating expenses. Subscriber costs for FY23 were A$1 million, and included within "Other operating expenses".

Statement of Financial Position Data

	As at 30 June	
	2023	**2022**
	(A$ million)	
Assets		
Current assets		
Cash and cash equivalents[(1)]	41	113
Trade and other receivables	533	503
Derivative financial assets	62	28
Other current assets	127	119
Total current assets	**763**	**763**
Non-current assets		
Property, plant and equipment	33,989	32,868
Intangible assets	1,598	1,755
Derivative financial assets	1,573	1,377
Other non-current assets	20	14
Total non-current assets	**37,180**	**36,014**
Total assets	**37,943**	**36,777**
Liabilities		
Current liabilities		
Trade and other payables	1,512	1,577

Other liabilities	132	128
Derivative financial liabilities	31	14
Lease liabilities	479	440
Borrowings	2,109	72
Provisions	215	162
Related party borrowings	5,500	—
Total current liabilities	**9,978**	**2,393**
Non-current liabilities		
Trade and other payables	35	19
Other liabilities	1,468	1,407
Derivative financial liabilities	288	155
Lease liabilities	11,033	10,511
Borrowings	18,207	18,132
Provisions	48	64
Related party borrowings	—	6,375
Total non-current liabilities	**31,079**	**36,663**
Total liabilities	**41,057**	**39,056**
Net liabilities	**(3,114)**	**(2,279)**
Equity		
Contributed equity	29,805	29,500
Other reserves	914	935
Accumulated losses	(33,833)	(32,714)
Total equity	**(3,114)**	**(2,279)**

Notes:

(1) Cash and cash equivalents include A$38 million held by us in FY23 and A$94 million held by us in FY22 which is subject to contractual restrictions and not available for general use. Cash and cash equivalents are net of bank overdrafts.

Statement of Cash Flows Data

	For the Year Ended 30 June		
	2023	**2022**	**2021[2]**
		(A$ million)	
Cash flows from operating activities			
Receipts from customers	5,856	5,650	5,076
Payments to suppliers and employees	(2,555)	(2,829)	(3,847)
Government grants received	38	547	4
Interest received	2	1	1
Net cash provided by operating activities	**3,341**	**3,369**	**1,234**
Cash flows from investing activities			
Payments for property, plant and equipment	(2,685)	(2,308)	(2,883)
Payments for intangible assets	(315)	(310)	(257)
Net cash used in investing activities	**(3,000)**	**(2,618)**	**(3,140)**
Cash flows from financing activities			
Principal repayment of lease liabilities	(211)	(186)	(169)
Interest paid on lease liabilities	(877)	(838)	(743)
Proceeds from borrowings (net of costs)	15,110	9,981	10,943
Repayment of borrowings and other financial liabilities	(13,172)	(2,231)	(1,460)
Proceeds from related party borrowings	—	—	42
Repayment of related party borrowings	(875)	(6,825)	(6,300)
Interest paid on borrowings and other financial liabilities	(469)	(204)	(59)
Interest paid on related party borrowings	(224)	(336)	(691)
Equity injection for ordinary shares by the Commonwealth of Australia	305	—	—
Net cash (used in)/provided by financing activities	**(413)**	**(639)**	**1,563**
Net increase/(decrease) in cash and cash equivalents[1]	**(72)**	**112**	**(343)**
Cash and cash equivalents at the beginning of the year	**113**	**1**	**344**
Cash and cash equivalents at the end of the year[1]	**41**	**113**	**1**

Notes:

(1) Cash and cash equivalents include A$38 million held by us in FY23 and A$94 million held by us in FY22 (which is subject to contractual restrictions and not available for general use. Cash and cash equivalents are net of bank overdrafts.

(2) Certain reclassifications have been made to FY21 balances to conform with the current year presentation.

RISK FACTORS

Investing in the Notes offered by this offering circular involves risk. You should consider carefully the risks described below, together with all other information contained in this document, before you decide to invest in the Notes. The risks described below are not an exhaustive list of the risks facing us or that may develop in the future. There may be additional risks not described below, not presently known to us, or that we currently consider to be immaterial that could turn out to be material in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on us and impair our business operations and our ability to make payments of interest on, and principal of, the Notes.

Risks relating to our business and industry

We have generated substantial losses, are not currently profitable and our current liabilities exceed the value of our current assets.

We have generated substantial losses since our inception, with losses after tax for all financial years to date. We had losses for the year of A$1,119 million in FY23, A$1,468 million in FY22 and A$3,837 million in FY21.

Our operations now generate significant amounts of cash, with net operating cash flow of A$3,341 million, A$3,369 million and A$1,234 million in FY23, FY22 and FY21, respectively. However, we continue to fund a substantial capital expenditure program, focusing on upgrading the network to provide users with higher speeds, and have significant debt service obligations, including repaying principal when due. As a result, we will continue to require new borrowings to meet our obligations. Any deterioration in our business, including as a result of the factors discussed in this section, limit our ability to raise additional financing on favourable terms, and increase our continuing vulnerability to dislocations in credit markets, including by limiting our ability to issue new debt securities, extend the maturities of our bank credit facilities and enter long-term hedging arrangements.

As at 30 June 2023, we had net liabilities of A$3,114 million and our current liabilities, that is, liabilities that are due within 12 months of the balance date, exceeded the value of our current assets, which consist primarily of cash and trade receivables, by A$9,215 million. Historically, we have operated with a negative working capital balance (that is, the amount by which our current liabilities have exceeded our current assets). Our current liabilities exceeded our current assets by A$1,630 million and A$1,848 million as at 30 June 2022 and 2021, respectively. Historically, the negative working capital balance has principally reflected the difference in payment terms we require of our retail service provider customers (generally, 30 days) and the longer payment terms we receive from Telstra on our infrastructure lease and subscriber payments and certain contractors that we have engaged to build and maintain the network. Additionally, given the predictability of our cash flows, we have generally maintained low levels of cash reserves in order to avoid incurring unnecessary interest. As such, the working capital balance has effectively served as a source of short-term funding for our business. However, at 30 June 2023, we also had A$7,609 million of borrowings that are categorised as current liabilities because they mature within 12 months of the balance date. This includes the remaining A$5,500 million of our loan from the Australian government. See “Operating and Financial Review—Liquidity and capital resources—Working capital” for further information.

We operate in a highly regulated environment that is subject to change.

We are subject to a complex regulatory regime that is designed to promote competition, including by ensuring that all carriers or carriage service providers that wish to purchase our services have certain rights as access seekers. All of our service terms and prices are subject to oversight and regulation by, and in some circumstances require the approval of, the Australian Competition and Consumer Commission, or ACCC, Australia’s competition regulator. In certain circumstances, the ACCC has the power to require us to change the terms on which we offer our services, either on its own initiative or following a request from our retail service provider customers, and we would require ACCC approval to make certain changes ourselves. We are also subject to extensive reporting requirements. Potential investors in the Notes should familiarise themselves with the way our business is regulated before investing. See “Regulation”.

This regulation has a significant impact on the way we operate our business and market our services. See “Business—Our products” and “Business—Pricing and regulation” for more information about our products

and pricing. Regulation may limit our ability to change the way we operate our business, for example, in response to changes in technology or competition.

The regulatory commitments made in our current SAU regarding our prices and revenues in the form of maximum regulated prices and the long term revenue constraint methodology, or LTRCM, are not directly constraining our prices or revenue at this time, and, under the terms of the current SAU, we do not expect them to in the foreseeable future. We expect that a varied SAU, if accepted by the ACCC, would widen the scope of technologies covered, provide for the prices of our core regulated services to increase at CPI on average for an initial period, and thereafter be set, subject to some conditions, and to also recover a capped amount of the unrecovered costs accumulated under the LTRCM up to 30 June 2023. See "Regulation—Our Current Special Access Undertaking" and "Regulation—Variation of the SAU" for more information.

Changes to regulation as a result of changes in the law or the actions of the ACCC or other regulators, including as a response to lobbying from retail service providers and customer representative groups, could significantly affect our business in the future. Changes to regulations could require us to operate our business in ways that increase our costs, reduce our revenues or disadvantage us compared to competitors. In addition, we may wish to change aspects of our operations or products in ways that existing regulation does not accommodate, including changes to our pricing construct and the way regulations constrain our pricing or revenue. Our ability to make changes of this nature will depend on us being able to agree on satisfactory new regulatory arrangements with the ACCC.

The SAU provides for certain regulatory settings to be updated in regular cycles in order to reflect our different operating environments over time. The initial regulatory period provided for in the current SAU expired on 30 June 2023. We have been engaged in a process with the ACCC to vary our current SAU. Our proposed SAU variation, which is described in more detail under "Regulation—Variation of the SAU" would, among other things, extend our SAU to cover HFC, FTTN, FTTB and FTTC services, which were not covered in the original SAU, and establish a new pricing construct and regulated service standards.

We initially submitted an SAU variation proposal to the ACCC in March 2022, but withdrew it in July 2022 following feedback from the ACCC and industry stakeholders. We submitted a revised SAU variation in November 2022. In May 2023, the ACCC released draft decision to reject the variation. On 14 August 2023, we withdrew our variation and submitted a further revised SAU variation to the ACCC.

Our proposed SAU variation is subject to ACCC approval. Although we have consulted extensively with the ACCC and industry stakeholders, we cannot assure you that the ACCC will approve the revised SAU variation. As a result, there is uncertainty as to the regulation that will apply to us in the future.

The ACCC has the power to issue Access Determinations and Binding Rules of Conduct, or BROC, regulating the terms and conditions on which we provide declared services and the manner in which we comply with our Standard Access Obligations arising under Part XIC of the CCA. If it does not accept our SAU variation, the ACCC may issue an Access Determination or BROC to impose new regulation on our business. While such an Access Determination or BROC would not be effective to the extent that it is inconsistent with an accepted SAU or an access agreement (e.g., a WBA), the existing SAU only covers our FTTP, fixed wireless and satellite services. As a result, the ACCC would have considerable power to regulate our business if it does not accept our SAU variation, and it may exercise those powers in ways that adversely affect our revenue or increase our costs, and thereby impair our ability to reinvest in our business. See "Regulation—Our Current Special Access Undertaking" and "Regulation —Variation of the SAU" for further information.

We are subject to a range of legislation, rules and supervision as a statutory infrastructure provider and owner and operator of critical infrastructure. Under these rules, the Australian government and various government agencies can require us to take specified action to further the relevant legislative objectives. These actions may require us to undertake capital expenditure that would not be commercially justified or to change our systems and processes in ways that result in higher costs. We also have various reporting obligations under these rules. Meeting our obligations under these rules increases our compliance costs and subjects us to additional regulatory scrutiny, and changes to these rules may further increase our obligations and our costs of complying.

Dealing with regulation, including managing our relationship with the ACCC, analysing and developing regulatory proposals and managing our compliance and reporting obligations can absorb considerable management time, and we incur costs for our in-house regulatory function and external advisers.

Any changes to regulation or changes in our business in ways that require new or amended regulation would increase those costs. In addition, any unintentional breach of or noncompliance with regulations may result in further inquiries or undertakings, fines, penalties, or limit our ability to do business.

We face competition from wireless high speed and low Earth orbit satellite broadband products and other substitute technologies.

We face competition from high speed broadband products delivered using wireless technologies, in particular fifth-generation, or 5G, broadband cellular networks. 5G broadband networks are potentially capable of high headline speeds that are comparable to, or higher than, the fastest speeds currently available on the NBN, depending on factors including network configuration, proximity and line-of-sight to a mobile base station, traffic volume and the hardware and software employed at the provider and user ends. See "Industry Overview—Mobile and 5G broadband" for further information about the rollout of 5G networks in Australia.

In areas where retail service providers are able to offer a 5G broadband service that is reliable and as fast as or faster than the available NBN products and at a comparable or lower price, end users may prefer the alternative product, resulting in lower revenue for us. Even if end users choose not to migrate to a 5G service, the availability of 5G alternatives may constrain the pricing of NBN products. In areas where 5G competition is particularly active, we may only be competitive if we are able to offer local discounts or change our technology, products or pricing, which we may be unable to do given our regulatory and organisational constraints. As take-up of 5G is higher in densely populated areas, which are generally cheaper for us to service on a per user basis, our margins may be adversely affected if the uptake of 5G broadband services continues to rise.

In addition, rapid changes in technology and the unpredictability of consumer demand and buying behaviour could significantly impact our competitive and financial position. We may face competition from substitute technologies that are currently unknown, unforeseen, or only emerging, such as low Earth orbit satellite technologies. For example, SpaceX Starlink, which delivers broadband internet through low Earth orbit satellite technologies, is licensed to provide satellite broadband services across Australia and is currently available to deliver services across most of Australia. SpaceX Starlink states that users can expect to see download speeds of 25-100 Mbps for its residential services, and 40-220 Mbps for its business services. A number of retail service providers, including Telstra and Optus, have announced partnerships with Starlink. Other emerging operators include OneWeb, Telesat and Amazon's Kuiper. For more information on our engagement with low Earth orbit satellite technologies, see "Business—Our network".

In order to compete effectively against 5G and other potential substitute or competitive technologies that may emerge, we may need to spend additional capital to upgrade our network and improve speed and reliability. Even if we improve our network, future developments in substitute or competitive technologies may result in even faster speeds, greater reliability and lower costs being available on wireless networks than we can offer, which may materially reduce usage of our network and therefore our revenue, profitability and the value of our network.

We face competition from competing fixed-line broadband networks, particularly in our non-residential business and in greenfield residential premises.

While our network is Australia's primary fixed-line broadband network and we believe there are barriers to a competitor replicating the national scale and capacity of our network, there is no statutory prohibition on competing with us at an infrastructure level. Accordingly, competitors may develop their own fixed-line broadband networks to compete with the NBN. While we do not believe it will be economic for a competitor to build a competing national network with comparable coverage and capacity to ours, we compete with a number of smaller providers with networks that are similar to ours in particular locations or for particular end users or groups of end users. In recent years, our competitors have engaged in merger and acquisition activities, creating larger and more capable competitors. Additional competitors may emerge in the future.

Our residential fixed-line competitors include:

- Uniti Group (acquired in July 2022 by a consortium comprising Morrison & Co and Brookfield Asset Management), which has an open access FTTP network focused on newly built commercial and residential projects and owns legacy FTTP networks that it acquired from Telstra Velocity (over 600,000 premises connected, ready to connect, in construction or contracted);

- TPG and its subsidiary Vision Network, which has an FTTB network in metropolitan apartment buildings across Australia (around 240,000 premises passed), as well as FTTN and HFC networks (around 75,000 and 90,000 premises passed, respectively). In August 2023, TPG announced that it is discussing a sale of its fixed infrastructure assets, including Vision Network, to Vocus;

- Superloop, which acquired wholesale FTTP provider VostroNet in 2022 and has expanded its strong managed WiFi position into adjacent On-Net broadband markets with a focus on multi-dwelling and broadacre developments;

- Smart Urban Properties Australia Limited (established in 2023 through merging five existing companies: b.energy, Fibrecorp, Epsilon, Smart Automation Systems and ConnecX), which combines utilities and communications infrastructure, integrated in-building technologies, platforms, and smart apps for multi-occupant properties;

- Gigafy, which provides wholesale broadband services to developers of residential complexes with a focus on premium apartment buildings;

- DGTek, a smaller competitor building an open access FTTP network (passing over 100,000 premises) in central Melbourne and which has announced plans to extend its network to other cities; and

- various competitors in the new developments market, including Lightning Broadband (part of Lynham Networks), Interphone and Redtrain.

In addition, a number of our largest retail service providers, including Telstra, Optus, TPG, Vocus and Aussie Broadband, offer their own fibre-based broadband services directly to businesses, predominantly in the business districts of major cities. Telstra, Optus and TPG are also targeting government and enterprise end users at the wholesale level.

Fixed-line competitors are likely to focus on individual large business end users or areas where large numbers of end users are concentrated, like central business districts or high density inner urban residential areas, or where there is no existing infrastructure, such as new housing developments and business parks. Because we price wholesale access to residential fixed-line services on a national basis, and our prices reflect a cost base that includes the cost of servicing many remote, difficult to access or complex installation premises, competitors may be able to offer lower prices, or higher speeds at the same price, in the locations they target. Competitors may also deploy more advanced technologies than we use. These factors may enable competitors to attract customers that would be relatively low cost for us to service and therefore generate higher margins.

Some of our competitors are not subject to the same government policies and directions or other regulatory burdens and oversight as we are, and therefore have greater flexibility and control over certain aspects of their businesses, for example, the prices they charge for their products and services and the promotional packages they offer. This flexibility may enable competitors to offer end users more attractive products, prices or both.

The level of competition in the market and the success of any of our competitors may reduce our revenue, margins, net premises activated and profitability. In particular, the level of competition in the new developments and business sectors may adversely affect our ability to meet our revenue targets.

Our network, retail service provider customers, people, assets and systems are exposed to cyber threats and cyberattacks.

Network, data and information systems are critical to our operating activities, both for our internal uses, such as our various management and reporting systems, and for supplying our products and services to end users. We face threats to the information systems we rely on to manage and operate our business and to the hardware and software we rely on to operate the NBN. We also face the risk of threats to the systems of third party operators or any NBN data held, used or processed by them to the extent we rely on such systems or data to deliver services to our end users or operate our business effectively. The cyber threats we face may arise from human error, fraud, malice and sabotage on the part of employees, counterparties, third parties, or state actors. Cyber threats may also arise or be heightened by actual or potential faults in infrastructure, like hardware or

software vulnerabilities, ageing equipment, obsolescence, defect or malfunction. Our retail service provider customers may also be targeted by cyberattacks of varying forms and degrees. Cyberattacks on our counterparties may also affect our operations and the perception of the security of our network.

Cyber threats may take the form of account takeovers, identity theft, computer viruses and hacking, malware, phishing, ransomware, distributed denial-of-service attacks, dissemination of destructive or deceptive software, the remote operation, interference, de-securing or disabling of our equipment, networks and physical facilities as well as customer and service platforms and other forms of cyber threats not presently observed or foreseeable. A successful cyberattack may affect our staff's ability to work or result in unauthorised access to our systems, temporary or permanent unavailability of our services, and the loss, destruction or unauthorised release of data, including personal, sensitive or confidential information. Our attempts to circumvent or remedy these intrusions and rectify any security weaknesses identified as a result of such intrusions may also disrupt the operation of the NBN.

Globally, in recent years, cyber threats have grown in frequency, form, scope, level of sophistication and potential for harm. Cyberattack tools and techniques have grown in accessibility and capability. The level of cyber activity among state actors has also increased. We predict the development of more destructive and sophisticated offensive capabilities, some of which may be sovereign-backed.

As a government-owned operator of national critical communications infrastructure, we face the heightened risk of a targeted cyberattack. We develop and maintain systems that seek to prevent cyberattacks and security breaches from occurring, however, the development and maintenance of these systems is costly and requires ongoing monitoring and updating as such attacks become more sophisticated and change frequently. Our security measures, disaster recovery plans, business contingency plans and employee training programmes may not be sufficient to circumvent the cyber threats described above or more generally. In particular, even robust defences may not be sufficient to prevent intrusions by a highly determined or highly sophisticated actor. We also rely on third parties for certain cyber security services, and such parties may not be effective in providing these services or may not provide these services in accordance with the agreed terms. We may suffer financial losses as a result of cyberattacks, including through lost revenue, compensation payments to retail service providers and others, and the costs of remediation and upgrading our systems and infrastructure. A successful cyberattack could damage our reputation and result in a loss of trust of retail service providers, end users and the community. This could cause us to lose retail service providers and end users, lose revenue and incur additional costs.

In response to COVID-19, changes to our work practices necessitated by government restrictions, guidance and health protocols have introduced higher rates of remote working, which may increase the risks to our systems and network security. There is a risk that the rapidly developed solutions to COVID-19 that we have implemented or plan to implement may not be adequate for the long-term remote working environment, and further investment may be required to enhance the security of our remote working systems.

See "Business—Network security and business resilience" for more information.

Our network is vulnerable to damage and disruption by a range of factors including weather conditions, climate change, natural disasters, space weather events, service outages, power interruptions, acts of war or terrorism, or other third party wrongdoing.

Our network may be damaged or disrupted by foreseeable and unforeseeable events, some of which may be hostile or catastrophic, and many of which are outside our control. Our infrastructure is vulnerable to the risk of natural disasters, extreme weather conditions, storms, cyclones, floods, high temperatures, fires, bushfires, lightning, earthquakes, leaks, spills, explosions, release of toxic substances, nuclear or ionising radiation, space weather events, such as solar flare activity or damage from space debris, as well as non-nature-related accidents, interference from third party objects, vehicle damage, vandalism, cable cuts, power losses, acts of terrorism or war, or other third party wrongdoing.

For example, bushfires across Australia in December 2019 and January 2020 affected approximately 1% of the total services activated at the time.

In addition, in early 2021, some portions of the FTTC footprint of our fixed-line network experienced higher levels of fault rates during weather events, particularly in areas prone to lightning and which have high

earth resistance. We have identified that the cause relates to a specific variant of our customer network connection devices, or NCDs, which, while operating within compliance and safety specifications, exhibit a diminished defence to lightning damage under certain conditions, which are replaced on failure.

During the last three years, multiple flood events impacted our network sites and end users across New South Wales, Queensland, Victoria and Western Australia, including through damage to FTTN cabinets and disruptions to connections while the cabinets were rebuilt or repaired. Many NBN connections experienced service outages as a result of power outages or asset damage. In instances in 2022, due to the flood waters, we were unable to access certain sites to deploy generators or commence network repairs, which resulted in an increase in the outage time at certain sites.

Our network and business, as well as those of our suppliers and service providers, are also exposed to climate change, a systemic long-term driver of risk. Material physical risks of climate change include our power dependency, increasing frequency and severity of extreme weather events and a higher risk of higher temperatures, catastrophic bushfires, protracted droughts, severe storms, wind, flooding, rising sea levels, coastal inundation, soil movement, freeze thaw and other volatile or unpredictable changes to the climate, ecosystem and atmosphere. These effects, and others that we cannot presently foresee or quantify, may materially affect our asset value, operating costs, service provision and reputation. Some parts of our network, such as above ground FTTN cabinets, are less resilient to climate-related risks than other parts of our network. Material transition risks of climate change include costs of transitioning to lower emissions technology, introduction of carbon pricing, electricity price risk and cost and access to debt. The effects of climate change may make it more expensive to obtain insurance for our assets and operations or increase the cost of our operations, for example due to increased electricity costs or if carbon pricing is introduced. We may also be exposed to other climate-related transition risks such as changes in domestic and international policies and laws, changes in consumer needs or preferences and disruptions in global markets. Physical and transition climate change risks may impact our assets, operating costs, capital expenditure, reputation, regulatory obligations and supply chains.

Our network is exposed to various forms of third party wrongdoing, including vandalism, sabotage, or theft of equipment, copper wiring and cabling. For example, physical attacks against telecommunications infrastructure have been instigated by COVID-19 and 5G conspiracy theorists. Parts of the network situated below ground may be subject to accidental damage by third parties undertaking earth moving works. If damage or disruption is caused by a third party, whether wilfully, negligently, accidentally or otherwise, we may not be able to fully recover the costs of remediation.

Our network depends on a continuous supply of electrical power. Loss of power supply may be caused by disruptions to a key power supplier or more widespread disruptions to an entire region, such as the power blackouts across South Australia in 2016 or the power outages across Queensland in May 2021. Our backup generator infrastructure may be inadequate to restore services on a timely basis if widespread power outages occur impacting hundreds of FTTN nodes and fixed wireless sites simultaneously.

Access and services offered by retail service providers via our network may also be adversely affected by disruptions to global networks and cables that are outside our control.

The factors described in this section, as well as other sources of network failure, contribute to the risk of unplanned service outages. Equipment failure, including failure of software, hardware, infrastructure, or components, may be caused by any of the factors described in this section as well as other factors, such as faulty installation or faults in design. Our network also experiences planned service outages during maintenance, upgrades, or other strategic operations. Service outages, whether planned or unplanned, will affect our network and may not be communicated to end users in a timely manner. End users' experience of our service is also affected by the planned and unplanned outages of retail service providers, over which we have no control.

Any damage or disruption to our network, including through planned and unplanned outages, could result in financial losses through loss of revenue, costs of remediation, compensation payments to retail service providers or end users, exposure to personal injury claims and reduced uptake of our network due to end users' perceptions of our reliability and reputation.

As a wholesale network, we depend on retail service providers to market our products and services and they may make decisions about marketing, products and pricing that are not in our best interests.

We are a wholesale-only access network and are constrained by law from offering retail services. We are legally obliged to provide access to retail service providers on a non-discriminatory basis. End users connect to the NBN through retail service providers. Retail service providers design, market and price the products and services that end users buy and are also responsible for delivering many front-line customer services to end users. Growth in demand for our services therefore depends on retail service providers marketing, promoting and delivering products that are attractive to end users and meet their needs. We have limited control over the manner in which retail service providers market, promote and deliver our products to end users. Retail service providers' objective is to maximise their own profitability rather than demand for access to the NBN and they may therefore make pricing and marketing decisions that are not in our best interests.

Retail service providers may also offer their own competing products, such as 5G wireless broadband or their own fixed-line broadband network, as a substitute for our fixed-line broadband, or lobby for regulatory change in favour of their own interests (which may be to our detriment). Further, given the trend of a declining number of voice-only and low-broadband-use services and the relative wholesale cost to retail service providers to serve these premises on the NBN, as they augment mobile capacity and prior to full 5G rollouts, retail service providers, including Telstra and TPG, have been pursuing opportunities to migrate those end users to their own mobile networks.

The actions of retail service providers can significantly affect the quality of end users' experience of the NBN. For example, retail service providers have an important role in assisting end users to understand and select products that meet their needs and are suitable for the area they are located in and serve as the main customer service interface. In many instances, retail service providers supply the modem with which end users connect to our network. The quality and performance of the equipment supplied, as well as the amount of connectivity virtual circuit (CVC) provisioned by the retail service provider, can affect the quality of the end user's experience. Our ability to influence retail service providers to take actions to ensure favourable end user experiences is limited. If end users have poor experiences with an NBN product, it increases the risk they will seek alternative services. If poor experiences are widespread, our reputation and the reputation of the products and services we offer may be adversely impacted.

Adverse economic conditions in Australia may have a material adverse effect on our operations and financial performance.

Our network, retail service providers and end users are located solely in Australia. Demand for and use of our network depends, among other things, on economic conditions in Australia. The growth of Australia's population, the decentralisation of the Australian workforce as a consequence of increasing rates of remote working, the construction of new business and residential premises and the growth of commercial activity in Australia, including through small and medium enterprises, are key drivers of additional demand for and use of our network. Any reversal of these trends or deterioration of economic conditions in Australia could have a material adverse effect on our operations and financial performance.

For example, any economic downturn in Australia is likely to reduce Australia's level of commercial activity and level of employment. A decline in commercial activity could reduce demand for non-residential use of our network. A decline in the level of employment could reduce household income, which could reduce residential demand for our services, shift demand to lower priced services and put pressure on product pricing. Demand for our services could also be affected by inflation. These and other economic conditions are likely to affect our retail service providers, increasing our counterparty risk. Deteriorations in Australia's economic condition could also result in a downgrade of Australia's credit rating and outlook, which may adversely affect our credit rating and outlook. See "*— Any changes in Australia's sovereign credit rating may have a material adverse impact on our credit rating*".

Inflationary pressure and rising interest rates could adversely impact our operations and financial performance. Rising costs in relation to labour, materials, fuel and transport could impact the viability or sustainability of our third party suppliers and service providers or their suppliers and service providers, which could in turn adversely affect our operating performance and results of operations. See also "*— Inflation may adversely impact our performance through increasing costs at a higher rate than our prices*" for information about the impact of inflation on our prices.

Further, as a government business enterprise, we believe there is a community expectation that we will meet important community needs, particularly during times of crisis. For example, we provided a financial relief fund of up to A$150 million to support low income households, households in financial hardship and businesses in financial hardship during COVID-19 and provided up to A$6 million to support homes and businesses affected by major flooding across Queensland NSW in early 2022. See "— *We are wholly-owned by the Australian government, which may act, or require us to act, in ways that are not in the best interests of our business or Noteholders*" for more information about our status as a government business enterprise.

Additionally, any decline in immigration as a result of economic downturns, changes in border policies, or otherwise could slow the growth of the Australian population, which in turn may slow the growth of the number of Australian households that our network may service in the future. An economic downturn may lower demand for higher speed plans and slow the conversion to FTTP for certain end users and premises. If the uptake of higher speed plans is lower than we anticipate, our revenues may not continue to grow.

Inflation may adversely impact our performance through increasing costs at a higher rate than our prices.

Inflation may adversely impact our financial performance by increasing our costs at a higher rate than we are able to increase our prices. After a long period of low inflation, Australia's official measure of household inflation, the Consumer Price Index, or CPI, rose by 6.1% over the 12 months to June 2022 and a further 6.0% over the 12 months to June 2023. The prices we charge for our products and services covered by the SAU, as established in the Wholesale Broadband Agreement, are subject to caps in the Special Access Undertaking. For technologies covered by the SAU (that is, FTTP, fixed wireless and satellite), prices may not increase by more than CPI less 1.5%. This may change if our proposed changes to the SAU are accepted. For example, in the revised SAU variation that we lodged in August 2023, we are seeking to establish a weighted average price cap, or WAPC, which would allow us to increase our prices overall at CPI for an initial period, with additional "sub-caps" in relation to certain products. See "Regulation — Variation of the SAU" for further information on the SAU variation. In an inflationary environment, our costs, including labour and contracting costs and other operating expenses as well as our capital expenditures, may increase more quickly than our prices. Some of our supply contracts, including our infrastructure access agreement with Telstra, include prices that are automatically indexed to the consumer price index. If our costs increase more quickly than our prices, this may reduce our operating margins and adversely impact our financial performance.

Our network performance, for reasons within and outside our control, may not meet demand or expectations in relation to network speed, capacity and congestion.

The download and upload speeds experienced by end users using the NBN are key drivers of end user uptake and retention. The data transfer speed that an end user experiences can be affected by a range of factors, including the technology available at the end user's premises, the speed and traffic class of the product that the retail service provider purchased and resold to the end user, a range of technical factors, including the distance data must travel over copper wire or coaxial cable to the end user's premises, the equipment and software employed at an end user's premises, the retail service provider's network design and configuration and whether the retail service provider has provisioned enough CVC capacity to avoid congestion. The performance of our fixed wireless network can be affected by factors such as obstructions, interference and cell dimensioning. The performance of our satellite network can be affected by obstructions, space weather, interference and beam dimensioning.

Many of these factors, such as the state of wiring at the end user's premises, the quality of networking equipment (like routers and modems), the quality and coverage of Wi-Fi signal at the end user's premises, the quality and type of device used, and the network design of the retail service provider are outside our control. The experience or probability of congestion is affected by the amount of network usage at a given time and can depend on the usage patterns and demands of other end users. Issues with retail service providers' backhaul networks and parts of the global internet can also affect our end users. Disruptions in service are ordinarily addressed through direct interaction with the retail service provider. We have limited control over the actions of retail service providers and the quality of their engagement with end users.

Although the NBN is only one factor that affects the service and satisfaction of our end users, any failure to meet demand or expectations in relation to network speed, capacity and congestion could reduce the uptake of our services, reduce revenue, and adversely affect end users' perception of our reliability and reputation.

Under our current WBA, we are also obliged to pay a range of rebates, including for each service in remediation because it has failed to meet speed commitments. For example, as at 30 June 2023, there were approximately 105,000 underperforming FTTN premises which do not meet 25/5 Mbps speeds. We incurred approximately A$264,000 of speed-related rebates relating to the FTTN, FTTC and FTTB networks throughout FY23. In the SAU variation that we submitted to the ACCC on 14 August 2023, we are proposing to include additional benchmark service standards and rebates, establish new processes to report our performance to stakeholders and introduce new benchmarks in subsequent regulatory cycles, and establish new powers for the ACCC to set benchmark service standards and rebates. Decisions taken by the parliament, ministers or regulators could require us to change or introduce rebates over and above our contractual rebates.

At times, we have been subject to criticism from the public, customer representative bodies, retail service providers, elected officials, regulators and media commentators regarding network speeds, the frequency of outages and other issues. Since our ARPU is driven primarily by end user migration to higher speed tiers, any perception that our network is unable to reliably deliver higher speeds could adversely affect our ARPU. We may need to make additional investments in our network to meet regulatory requirements, demand or expectations, however, the investment required might not produce adequate financial returns, and might not deliver the expected benefit.

We depend on key commercial arrangements with Telstra for infrastructure access and the migration of end users to our network.

Our agreements with Telstra are essential to our ability to achieve our short-term and long-term objectives.

In 2011, we entered into a number of agreements with Telstra under which Telstra committed, among other things, to supply infrastructure to us and to disconnect certain legacy Telstra services within the fixed-line footprint of the NBN. In 2014, we renegotiated these agreements to reflect the transition from a primarily FTTP model to a multi-technology model. We refer to our agreements with Telstra as the "Definitive Agreements".

The Definitive Agreements provide us with access to certain Telstra network infrastructure including ducts, pits, lead-in conduits, exchange rack space and dark fibre that is essential to the operation of our network. We depend on Telstra to maintain the quality of the infrastructure we lease to agreed service levels in accordance with the Definitive Agreements. Any maintenance failures may adversely affect the performance of our network. We may also encounter operational challenges resulting from disputes with Telstra as to ownership, use, access, and operational and maintenance responsibility.

The Definitive Agreements also require Telstra to progressively disconnect premises connected to its copper and HFC networks, subject to exceptions for certain copper-based services and pay-TV services provided over the HFC network, and provide for us to progressively take ownership of elements of Telstra's copper and HFC network infrastructure as end users are connected to the NBN fixed-line network. Telstra has also agreed to "network preference" arrangements, under which it and its related entities have undertaken to use only the NBN fixed-line network to provide fixed-line carriage services to Telstra's customers in the fixed-line footprint until 2032 (subject to limited exceptions, such as existing Telstra point to point fibre services and fibre installed by Telstra in accordance with a right of first refusal process with us). Any failure or delay in Telstra's performance of these obligations could harm our business.

After the NBN fixed-line network becomes available in an area, a "co-existence period" ensues during which certain Telstra services remain active and share the same network infrastructure as NBN's fixed-line HFC, FTTN and FTTB broadband services. During this period, we are responsible for operating and maintaining the network, but are obliged to reserve capacity for the relevant Telstra legacy services. These obligations generally prevent us from operating those portions of the network in the optimal configuration for NBN services so long as the co-existence period continues. The "co-existence period" for an area will end after relevant Telstra legacy services have been disconnected or migrated to the NBN fixed-line network. Any extensions to the "co-existence period" prolong the period in which we are required to operate the relevant portions of the network outside optimal configuration levels, and could result in suboptimal end user experience and higher costs for longer than we anticipate. Even after the "co-existence period" with relevant Telstra legacy services has ended, we must still reserve capacity on our HFC network to enable Telstra to continue to deliver Foxtel pay-TV services using that network until Foxtel completes its migration of customers from the HFC network.

The Definitive Agreements also contain a number of provisions designed to protect Telstra if the NBN rollout slows or stops. We are subject to a provision under which Telstra would have the right to terminate the Definitive Agreements and may be entitled to compensation if, prior to the point at which 92% of premises in Australia are passed by our fixed-line network or adequately served by another relevant network, our fixed-line network fails to pass an additional 75,000 premises in any 12 month period or 600,000 premises in any 36 month period. We believe that more than 92% of premises in Australia were either passed by our fixed-line network or adequately served as at 31 December 2022. However, it is difficult to determine with certainty the number of premises in Australia and the number of premises passed by our fixed-line network or that are adequately served by another network (including because there are matters of interpretation and analysis of data from multiple sources). It is possible that Telstra could choose to challenge our conclusion that we have reached the 92% threshold. The Definitive Agreements contain an arrangement that enables us or Telstra to propose to agree the number of premises in Australia or, failing agreement, to seek independent determination of the number. Neither we nor Telstra have initiated this process. If Telstra chose to challenge our conclusion that we have surpassed the 92% threshold and we cannot agree an alternative solution with Telstra, then termination of the Definitive Agreements would become a risk.

The Definitive Agreements also contain a number of terms that regulate the way we compete with Telstra. If we were to enter certain markets effecting a substantial adverse impact on Telstra's business, it could trigger an amendment process that could result in unfavourable changes to the agreements. These provisions may effectively prevent us from taking actions that would otherwise be in our commercial interests, including steps that could increase the return on our network investments. We are also subject to a range of restrictions on taking certain actions involving the assets and rights we have acquired from Telstra that may prohibit us from selling assets or granting security to lenders. We also have confidentiality obligations under the Definitive Agreements that may restrict us from providing information about our business to counterparties, including financiers, without Telstra's consent. See "Business — Telstra relationship" for more information about the Definitive Agreements.

In addition to the Definitive Agreements, we have a range of other commercial agreements with Telstra, including contracts for Telstra to perform certain design, construction and maintenance activities on the network, including maintenance on network assets we have acquired from it. We depend on the quality of these services for the uninterrupted operation of our network.

Any failure by Telstra to perform its obligations under any of these agreements could result in lower than expected uptake of NBN services, poor network performance or availability which may result in loss of end users, damage to our reputation and additional costs to duplicate infrastructure or access alternative infrastructure. In addition, given the important and multi-faceted nature of our relationship with Telstra, there is a risk that disputes in one aspect of our relationship may lead to or exacerbate disputes in other areas. Any of these consequences could have a material adverse effect on our revenues, cash flow, profitability and financial position.

We process personal, sensitive and confidential information from retail service providers, end users, our employees, contractors, government entities and others. Deliberate or inadvertent loss, destruction or release of personal, sensitive or confidential information could adversely affect our business and reputation, and may be a contravention of the law and our legal obligations to third parties.

Our information and data holdings relate primarily to our wholesale supply of broadband services to retail service providers, the operation and maintenance of our network, and commercial dealings with our business partners . We also receive information about end users to provide and improve our services, respond to complaints, comply with regulatory requirements or for other lawful purposes. Such information may include an end user's name, telephone number, email address, street address and, in some circumstances, additional sensitive information, such as medical information of end users registered on the Medical Alarm Register. In addition, we possess a range of personal data about our employees.

Public awareness of the importance of safeguarding personal information and the potential for its misuse have increased in recent years. These factors have increased our exposure to privacy-related risks, such as through enquiries by the public about our handling of data, as well as regulatory oversight and related risks.

Personal, sensitive or confidential information could be mismanaged, destroyed or lost due to faults in programming, processing, or other human error. Our employees, counterparties or end users could disclose or grant access to the information in our network and systems inadvertently or deliberately. The information in our

network and systems may also be subject to the cyber risks described above in "— *Our network, retail service provider customers, people, assets and systems are exposed to cyber threats and cyberattacks*". As a government-owned communications infrastructure company, we face the heightened risk of a targeted information breach. Any security breach or significant disruption to our IT infrastructure could result in unauthorised access to or unauthorised release of confidential information, including information subject to data protection laws governing personally identifiable information, protected health information or other sensitive data. Any unauthorised release of personal, sensitive or confidential information could breach statutory and contractual obligations and expose us to sanctions, remediation costs, compensation costs, loss of commercial opportunities and damage to our reputation. See "Business—Network security and business resilience" for more information.

The costs of developing, maintaining, repairing, upgrading, protecting and replacing our network could be higher than we expect. We may not be able to complete our construction activities and other plans within the timeframe and budget expected.

Our physical infrastructure and network hardware and software are subject to a range of factors that could lead to changes to expected asset lives or a material degradation in the quality of service provided to retail service providers and end users. These factors include those outlined in the sections above titled "*Our infrastructure and business is vulnerable to damage and disruption by a range of factors including weather conditions, long-term climate change, natural disasters, planned outages, acts of war or terrorism, or other third party wrongdoing*" and "*Our network, retail service provider customers, people, assets and systems are exposed to cyber threats and cyberattacks*". Our equipment could also be poorly designed, poorly installed, become obsolete (through age or as a result of advances in alternative technologies), or deteriorate through wear and tear. In order to maintain our operations, we must maintain, repair, upgrade, protect and sometimes replace portions of our network and facilities. Failure to do so could result in our network performance falling short of the standards expected by retail service providers and end users and irreparably harm our business and reputation.

Developing, maintaining, repairing, upgrading, protecting, and replacing our network requires management time, capital and operating expenditure, and is exposed to movements in commodity prices. We may not be able to complete our further construction, maintenance, replacement and other operational activities in the manner or within the timeframe and budget. Additionally, the work required to maintain, repair, upgrade, protect and replace our network might not be operationally or economically viable. Further, even if upgrades are successfully implemented, they may not deliver the return, earnings or benefits we expect.

Our transition from an infrastructure construction organisation to a service delivery organisation may disrupt our operations and may not achieve the intended business outcomes.

Following the completion of the initial build phase of our network and the declaration by the then Minister for Communications that, in his opinion, the NBN should be treated as being built and fully operational in December 2020, we have been executing a complex whole of company programme to transition from an infrastructure construction organisation to a service delivery organisation.

Our ability to effectively transform our workforce, technology and business, while maintaining our operational and financial commitments, depends upon a number of factors, such as cultural change within our workforce, simplifying technology and embedding appropriate processes and procedures appropriate for service-based organisations. There is a risk that we may be unable to successfully complete aspects of this transition, or that it may take longer and cost more than we have planned. During and after this transition, we face risks relating to project management and workforce capability that may heighten the materiality of many of the operational and strategic risks described in this section.

For example, across May and June 2021, our network was disrupted following the implementation of a new field workforce scheduling system that affected our ability to access or secure the services of technicians in some parts of Australia, resulting in delays for some end users receiving a new connection or awaiting a repair.

In FY20, FY21, and again in FY23, we materially reduced headcount as we aligned resourcing across the business with our current operational priorities. Significant workforce change may have a short-term adverse impact on productivity as our workforce and management teams are distracted from the fulfilment of their day-to-day duties, which could cause disruption across our operations. In addition, to ensure our workforce composition aligns with our future strategy, we face the risks associated with effective employee attraction and

retention. For example, we may lose personnel with key knowledge and capability to our competitors in the infrastructure or telecommunications industry, experience a reduction in employee engagement, or fail to attract the employees we need to expand our capabilities. A highly competitive talent market and shifting trends in the labour market (such as voluntary under-employment or regional migration) may continue to constrain our access to global talent markets and present an additional challenge for sourcing talent with high demand technical skills. See "— *Our failure to hire and retain qualified personnel could harm our business*" for more information on the risks associated with managing our workforce.

We are currently executing several complex company-wide initiatives and change programs to improve our processes and systems, which carry risks including disruption to our normal operations and increased costs and delay as well as the risk of failing to achieve our goals due to factors such as poor program design, poor management or shortages of labour, materials and equipment.

Failure to execute this transformation effectively could result in inefficient use of resources, poor performance due to inadequate capabilities and systems, poor customer experiences and failure to meet service level commitments to retail service providers. Any of these could have a material adverse effect on our operating performance and results of operations.

Even after initial build phase completion, we face risks associated with undertaking large projects.

We are implementing a substantial program of network upgrades to make our highest residential wholesale speed plans (Home Ultrafast) available to more of our fixed-line network and to expand the FTTP footprint to areas currently served by other technologies. We are also investing a further A$750 million in our fixed wireless network, of which A$480 million is provided through a grant from the Australian government, to provide access to faster wholesale speeds for regional Australia.

Given the need for continual upgrades and investments required to maintain and improve our network and to construct new portions of the network to serve new developments, our business is subject to the risks that typically apply to large-scale, long duration infrastructure and construction projects, including underestimating costs of construction and construction timeframes, unanticipated delays in obtaining materials and equipment, shortages of labour or materials and equipment, increases in the cost of materials or labour that exceed inflation assumptions, increases in the cost of materials or equipment resulting from foreign exchange movements, engineering and design problems, work stoppages, particularly labour disputes at third party contractors, health and safety risks, environmental and heritage restrictions or impacts, difficulties or delays in obtaining permits and approvals, and interruptions from adverse weather conditions or other disruptive events. We face additional risks and increased complexity when undertaking work in areas of Indigenous, cultural, heritage or environmental significance or other complex installation premises, such as increased stakeholder, community or First Peoples engagement requirements or costs associated with alternative works, protection measures, or applications for permission.

These risks may increase the cost of our projects and delay their completion, resulting in a delay to the financial benefits we expect, which may have a material adverse effect on our financial condition and results of operations.

We rely on key suppliers and contractors to construct, upgrade, service, operate and maintain our network.

We rely on key suppliers of IT services and managed services to service and maintain our systems, including Wipro, Infosys, Capgemini, Ericsson and Accenture. We rely on suppliers of hardware, software and cloud-based infrastructure and solutions for our IT systems, including Oracle, AWS and Salesforce. We rely on key suppliers of hardware and software to augment and maintain our network equipment and network management systems, including Infinera for transport and Nokia for our fibre and some of our fixed wireless technologies, in addition to ADTRAN and Casa Systems for our FTTC technologies, CommScope for our HFC technology, Ericsson for our fixed wireless and satellite technologies, and IPSTAR, Viasat, Gilat, Optus and Maxar Space for our satellite technology. We periodically review, add, and remove suppliers and also change the relative importance of existing key suppliers.

If our key suppliers experience interruptions or other problems delivering their products or services on a timely basis, our operations could suffer significantly. For example, in 2021, supply chain disruptions due to

the COVID-19 pandemic and geopolitical tensions resulted in shortages of chipsets required for our HFC termination devices, as a result of which we had to temporarily pause new HFC connections. Additionally, if any of these contractors or suppliers are or become unable or unwilling to perform the obligations owed to us or to continue to supply services to us, we could suffer material disruptions to our activities and operations. If our suppliers experience interruptions or other problems, we may not have adequate materials on hand to meet our network requirements. In certain instances we have access to only a limited number of alternative suppliers or vendors..

In the event it becomes necessary to seek alternative suppliers and vendors, we may be unable to obtain satisfactory replacement equipment, software, supplies, services, utilities, facilities or programming on economically attractive terms, on a timely basis, or at all. We also face restrictions on using certain suppliers, which could reduce our access to certain technologies or increase our operating costs through more expensive suppliers. For example, we are not permitted to obtain equipment or services from vendors that are subject to control by a foreign state or likely to be subject to extrajudicial directions from a foreign government that conflict with Australian law. Our suppliers may also face restrictions on using certain suppliers, factories or manufacturers.

To the extent that the proprietary technology of a supplier is an integral component of our network, we may be adversely affected if third parties assert patent infringement claims against our suppliers or against us.

We rely on key power utilities to supply power to our network. We also rely on power bill management services currently provided by Schneider Electric. Any disruption to the supply of power and services from key power suppliers could cause service outages for which our back up power supply may be inadequate to rectify on a timely basis. In FY22, power suppliers were impacted by a convergence of factors including weather events and the Russian invasion of Ukraine. In June 2022, the Australian Energy Market Operator intervened to manage electricity supply and avert power shortfalls, however, we are still seeing volatility in the electricity market as the Australian Energy Market Operator navigates supply and demand needs. Other disruptions may arise in the future that could impact the availability of power supply affecting our network and end users. With continued weather events and potential disruption to aging coal-fired generation assets, there is a continued risk that frequent or prolonged service outages could increase costs of operation, adversely impact our performance and result in reputational damage.

We outsource the majority of our construction and maintenance work to third party contractors. Since 2015, our contractors have included Lendlease Services (acquired by Service Stream in November 2021), Decon, Fulton Hogan, Downer EDI, Service Stream, Ventia (Visionstream), Ericsson, Telstra and BSA, among others. The number of qualified and reliable contractors available to perform the work required is limited. We may face difficulties ensuring that contractors are available to perform in accordance with the desired timeline, and our ability to control the general quality of work by our contractors is limited to service standards and other provisions in our service agreement that provide us with workflow or performance plan levers. Where we require contractors on-demand, for example to connect premises or for fault restoration, we may face difficulties with scheduling and matching skills to the work required. Our contractors' ability to complete their work may be impacted by factors outside their control, such as weather, environmental hazards, labour shortages, or the availability of equipment due to third party supply shortages, including as a result of manufacturing delays or other supply chain disruptions. The availability of contractors may also be affected by industrial action, which may lead to significant delays. Given that we are ultimately responsible for the maintenance and upgrade of our network, any failure by any contractor to perform the required work in a safe manner and on a satisfactory or timely basis could have a material adverse effect on our business, reputation, and relationship with retail service providers and end users and result in us incurring compensation obligations for failing to meet contractual service standards.

We have significant debt, including borrowings from the Australian government and an increasing reliance on bank facilities and capital markets debt, which we may not be able to service and refinance if our business does not generate adequate cash flows or there are disruptions to credit markets.

As at 30 June 2023, our total borrowings were A$25.8 billion.

We have a loan facility with the Australian government with an outstanding principal amount of A$5.5 billion as at 30 June 2023. The loan matures on 30 June 2024. We also have facility agreements with a number of banks for a total of A$11.4 billion, including our overdraft facility. The majority of our bank credit facilities mature between 2025 and 2028. As at 30 June 2023, we had drawn A$4.6 billion under these facilities and had

also issued A$4.4 billion of notes under our AMTN programme and the equivalent of A$5.3 billion of U.S. dollar Rule 144A/Regulation S notes, A$2.1 billion of Euro EMTN notes and A$1.8 billion of private placement notes in a range of currencies including Hong Kong dollars, Japanese yen, UK pounds sterling, Norwegian kroner, U.S. dollars and Australian dollars, in each case issued under our GMTN programme. As at 30 June 2023, we have issued A$2.0 billion of short-term promissory notes under our promissory note programme. We expect to continue to borrow from third party lenders and issue debt securities in the global capital markets. We plan to use the majority of the proceeds from our bank borrowings and debt capital markets issuances to pay down our government loan facility prior to or at maturity. See also "*—We are exposed to interest rate risk*" for further information on our exposure to interest rate risk.

From time to time, we may seek funding through government initiatives, co-investment or grants. For example, in September 2020, we announced a dedicated A$300 million regional co-investment fund to invest alongside governments and local councils to improve broadband services for rural and regional communities. In March 2022, we announced a further A$750 million investment in the fixed wireless network, of which A$480 million is provided through a grant from the Australian government. In October 2022, the Australian government announced that it would invest a further A$2.4 billion of equity to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. These initiatives, co-investment funds and grants may have certain terms, conditions and obligations that we are required to monitor and comply with. Non-compliance with these obligations may result in reputational damage, litigation risk, financial impacts or inability to enter future arrangements.

Our debt level and related debt service obligations could have negative consequences, including:

- requiring us to devote significant cash flow from operations to the payment of principal, interest and other amounts payable on our debt, which reduces the funds available for other purposes, such as working capital, capital expenditures, dividend payments and other strategic initiatives;
- making it more difficult or expensive for us to obtain any necessary future financing;
- reducing our flexibility in planning for or reacting to business, industry and market changes;
- making us more vulnerable in the event of a downturn; and
- exposing us to increased foreign exchange and interest rate risk to the extent that our debt obligations are foreign denominated or on a floating rate basis.

In addition, our ability to refinance our debt facilities on acceptable terms, or at all, depends on a number of factors, some of which are outside our control, including general economic, political and capital market conditions, credit availability, the performance, reputation and financial strength of our business and any perception that we benefit from the support of the Australian government. Any debt financing, if available, may involve restrictive covenants.

If we are unable to obtain debt financing on acceptable terms and the government is unwilling to provide additional equity capital, our options for alternative funding are likely to be limited. For example, our ability to raise equity capital from third parties, sell assets or offer security over our assets are likely to be limited by factors including the need to obtain government consent, the privatisation provisions in the National Broadband Network Companies Act 2011 (Cth), national security concerns and limitations on selling or granting security over certain assets in the Definitive Agreements with Telstra.

We will need to raise significant amounts of funding over the next several years to fund capital expenditures, repay existing obligations and meet other obligations and the failure to do this could adversely impact our business.

Our business is capital intensive. Developing, constructing and maintaining our network infrastructure requires significant investments of capital. Our capital expenditure for FY23 and FY22 was A$3,044 million and A$2,495 million, respectively.

Although our capital expenditure is significantly lower than it was during the initial build phase of the NBN, we expect our capital expenditures to continue to be significant. We also expect that we will need to continue to invest to construct and expand the NBN to keep pace with growing demand for speed and data as Australia's population increases and as Australia's demographics change (for example, as Australians potentially move from the cities to regional areas), and as housing demand and new developments continue to grow. We have also announced significant capital commitments to upgrade our network and expand full-fibre access on our network. We have substantial debt service commitments, including our obligation to repay the remaining A$5.5 billion of our loan from the Australian government by 30 June 2024.. Our ability to fund our operations, make planned capital expenditures, make scheduled payments on our indebtedness and repay our indebtedness depends on our future operating performance, cash flows and ability to access the capital markets, which in turn are subject to prevailing economic conditions and other factors, some of which are beyond our control.

We may be unable to refinance existing obligations or raise any required additional capital on terms acceptable to us or at all. Borrowing costs related to future capital raising activities may be significantly higher than our current borrowing costs and we may not be able to raise additional capital on favourable terms, or at all, if financial markets experience excessive volatility. Failure to successfully pursue our capital expenditure and other spending plans could materially and adversely affect our operations and financial performance.

We are wholly-owned by the Australian government, which may act, or require us to act, in ways that are not in the best interests of our business or Noteholders.

We are a wholly-owned government business enterprise of the Australian government. We were established in order to fulfil the national policy objective of making affordable high speed internet services available throughout Australia, and that objective, rather than maximising profitability, remains our most important goal.

Our key objectives are set out by the Australian government in a Statement of Expectations issued by our Shareholder Ministers from time to time (most recently, on 19 December 2022). It sets out the Australian government's broadband policy objectives and the principles by which we should pursue those objectives. The Statement of Expectations states that the enduring purpose of the NBN is to provide fast, reliable and affordable connectivity to enable Australia to seize the economic opportunities before it and service the best interests of consumers. The Statement of Expectations also recognises that there will need to be trade-offs between our commercial objectives and our obligations and policy expectations. The government recognises that we will not be able to generate a commercial return in delivering all of our obligations, particularly in regional and remote Australia. See "Relationship with the Australian Government" for further information. Any further amendments to the Statement of Expectations in the future could require us to change our business in ways that affect our profitability, including by decreasing our revenue or increasing our costs, including our costs of compliance. Any failure to comply with our obligations as a government business enterprise, including any failure to meet our objectives set out in the Statement of Expectations, could adversely affect our reputation, business and relationship with government.

As our sole shareholder, the Australian government has appointed all of our directors, and our shareholder Departments, the Department of Communications and the Department of Finance, regularly consult with our management, review and comment on proposed actions and provide guidance on the implementation of the Statement of Expectations, and provide advice to Shareholder Ministers. As a result, the government has considerable authority to direct our activities. The government may require us to act in ways that fulfil government objectives but are not in the best interests of our business or financial performance, including decisions regarding pricing and service levels, network development and other capital expenditures, acquisitions and divestments and strategic priorities.

We believe there is a community expectation that we will meet important community needs, particularly during times of crisis such as the December 2019 and January 2020 bushfires, when we supported affected communities by providing emergency broadband infrastructure, and during the COVID-19 outbreak in Australia, when we temporarily provided a CVC boost to retail service providers and a financial relief fund of up to A$150 million to support low income households, households in financial hardship and businesses in financial hardship. In FY22, we made *ex gratia* payments totalling A$14.1 million to retail service providers as CVC relief in response to increased usage as a result of lockdown restrictions in the 2021 calendar year. We made these payments on the basis of a rebate of overage charges payable on data demand during July to December 2021 in excess of the compound annual growth rate baseline of 25 percent. In early 2022, we

allocated up to A$6 million in flood relief funding to end users whose homes and businesses were affected by flooding, of which A$1.7 million was spent by 30 June 2022. The actions we take to fulfil government objectives and community expectations may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our status as a government business enterprise subjects us to heightened levels of transparency, scrutiny and accountability compared to a private sector business. Our Shareholder Ministers are publicly accountable to the Parliament of Australia and have an oversight role which extends beyond that of a private sector company shareholder. Under the Public Governance, Performance and Accountability Act 2013 (Cth), or PGPA Act, we are subject to additional obligations in relation to reporting, disclosure, accountability and use of resources, and our directors are subject to additional duties specific to government business enterprises. We are also subject to Parliamentary scrutiny through Parliamentary Committees. We may also become subject to various instruments and policies of the Australian government which may come into effect from time to time under, or in support of, the PGPA Act. See "Relationship with the Australian Government" for further information.

The regulatory framework governing government business enterprises subjects us to heightened regulatory risks, higher levels of public scrutiny and higher costs of compliance compared to our privately-owned competitors and telecommunications industry peers. As a result, we may not be able to compete effectively.

We may be liable for harm caused by product, network or installation defects or failures.

Defects or failures in our network, in the products we sell, install or migrate, such as network termination devices, or in the way we install equipment in end user premises may result in injury or death to end users. For example, if medically vulnerable end users do not migrate to the NBN in a timely manner or are not supplied a reliable service, they may be unable to seek critical assistance. Defects or failures in our network, especially during network construction and equipment installation, may also result in property damage to end user premises and their surroundings. When constructing or undertaking work on environmentally or culturally significant sites, we must also comply with environmental and cultural heritage laws. We may incur penalties, restrictions on our permits and licences, liability to affected parties, and publicity around such incidents may adversely affect the reputation of our services and our business. This could have a material adverse effect on our revenue, results of operations and prospects.

We may be liable for harm to our employees and contractors.

In the course of working on the NBN, our operating personnel and contractors may suffer injury, illness, psychosocial harm, permanent disability or death. This may be due to factors within our control, such as the failure to provide appropriate information, instruction, training or personal protective equipment, or factors outside our control, such as environmental risks, the employee's or contractor's non-compliance with critical risk controls or the hostility of end users. There is also inherent risk associated with infrastructure projects, especially high risk projects such as those on remote premises or premises exposed to asbestos. If our employees or contractors are injured, we may be subject to legal action and may be required to provide employees with compensation, including for medical treatment, income, rehabilitation and recuperation. We may also be investigated or prosecuted for breaches of occupational health and safety laws. More severe incidents may result in worksite closures, which may delay the completion of projects, or enforcement action, such as prohibition notices. Any legal action, claim for compensation, regulatory investigation or delay in projects may have a material adverse effect on our reputation, financial condition and results of operations.

We may be involved in legal, regulatory and other proceedings and disputes arising from our business and operations.

We may, from time to time, be involved in legal, regulatory and other proceedings and disputes arising from our business and operations, including proceedings and disputes relating to the construction, development, and maintenance of our network, the terms upon which we offer our products and services to retail service providers, environmental and heritage issues, disputes with our contractors and native title claims. These disputes may lead to legal, regulatory and other proceedings, and may cause us to incur significant costs, delays and other disruptions to our business and operations. In addition, regulatory actions and disputes with governmental authorities, including the ACCC, may result in fines, penalties and other administrative sanctions. We are also exposed to the risks posed by conduct, governance or compliance failures by our employees and

contractors. Any of these factors could have a material adverse effect on our business, cash flow, financial condition and results of operations.

In October 2019, the ACCC issued us with a formal warning in relation to an alleged contravention of a service provider rule that requires us to comply with certain non-discrimination obligations when building business fibre infrastructure and supplying related wholesale business grade NBN services. The ACCC accepted a court-enforceable undertaking under section 87B of the Competition and Consumer Act 2010 (Cth) ("CCA") offered by us to address their non-discrimination and transparency concerns about our conduct. In this undertaking, we admitted that we did not have appropriate processes in place to ensure compliance with certain aspects of our transparency and non-discrimination obligations. We committed to offering consistent contract terms to all access seekers for the build of upgraded NBN infrastructure, committed to giving the same information to all access seekers at the same time in relation to the build of upgraded NBN infrastructure, and committed to implementing compliance processes and an external audit programme of our compliance with our non-discrimination obligations in relation to certain activities. This undertaking applies for five years and is reflected in the ACCC's section 87B undertakings register. The undertaking was most recently varied in July 2022 when we proposed, and the ACCC accepted, amendments to facilitate changes to our commercial deal constructs and our internal and commercial processes in connection with build activities.

If we breach a term of our section 87B undertaking, the ACCC could apply to the Court to make orders against us in respect of the breach. The orders made could include a direction to us to comply with the undertaking, a penalty up to the amount of any financial benefit reasonably attributable to the breach, an order to pay compensation to any person who has suffered loss or damage, or any other order the Court considers appropriate. If the Court were to make any order of this nature, it could materially adversely affect our business, reputation, cash flow, financial condition and results of operations.

In October 2020, a competitive neutrality complaint against us was lodged with the Australian Government Competitive Neutrality Complaints Office, or AGCNCO, which investigates complaints about competitive neutrality obligations and provides independent advice to the Australian government. The complainant claimed that we may have a commercial advantage as a result of being a government business enterprise. The AGCNCO released the report of its investigation in November 2022. While it concluded that most of the matters that the complainant raised did not breach Australian government competitive neutrality policies, the AGCNCO found that we received a benefit in the pricing of our private market debt as a result of our government ownership, which represented a competitive advantage. The AGCNCO recommended that in order to comply with the government's competitive neutrality policies, we should be required to make payments equivalent to the benefit to consolidated revenue. It estimated that the benefit was more than A$300 million for FY22, and that it was likely to grow in future years as we raise more debt. The government has indicated that it is considering the report. The government is not obliged to implement the recommendations of the AGCNCO. See "Regulation — Other regulations and policies relevant to NBN Co's commercial operations — Competitive neutrality" for further information.

Our failure to hire and retain qualified personnel could harm our business.

We rely on key management and personnel to manage our business and construct and operate our network. We compete with several other companies in the infrastructure, services, technology, and telecommunications sector for a limited pool of qualified potential employees. As the technology sector becomes increasingly more competitive, it could become especially difficult to attract and retain employees with skills in high demand, many of which command highly competitive compensation structures. Further difficulties include the challenges of employing non-represented and under-represented employees to meet our diversity objectives, and the disruptions caused by COVID-19.

In addition, failure to hire and retain employees with key technical, service or institutional knowledge could materially affect our reputation, performance, and realisation of future plans, especially as we transition from predominantly an infrastructure construction organisation to a service delivery organisation. Failure to adequately support our workforce during a time of organisational change in a highly competitive talent market could lessen our attractiveness as an employer.

The Statement of Expectations dated 19 December 2022 requires the board to be fully accountable to our Shareholder Ministers for setting a remuneration structure that is transparent; ensures that the executive remuneration is appropriately aligned to key performance indicators, with fit for purpose targets that incentivise high performance beyond business as usual outcomes but are restrained and justifiable to the Parliament and the

Australian public; is appropriately governed; is not inconsistent with relevant industry benchmarks; and is consistent with any Government guidance.

In light of our strategy and the completion of the initial build phase, we implemented a revised remuneration framework in FY22. Participation in the short-term incentive, or STI, programme is now limited to members of the Executive Committee and the Executive General Managers. Participants have a reduced target STI opportunity compared to prior years. Employees below the Executive General Manager level are no longer able to participate in the STI programme. See "Management—Strategic imperatives and remuneration strategy" for more information. These and any further changes to our remuneration framework could impact our ability to attract and retain staff (including our senior executives). Our attractiveness as an employer may be adversely affected.

The poor management of our technology assets may adversely impact our operations and financial performance.

Effective management of our technology assets includes elements such as tracking our IT hardware and software assets, maintaining oversight of their use and criticality, ensuring the adequacy and currency of our licences, and monitoring and managing the lifecycle of our technology assets.

Failure to effectively manage our technology assets may result in a reduction in the availability of systems, difficulty in replacing legacy systems or implementing replacement systems, an increase in system vulnerabilities, the leaking of commercially sensitive information and increased costs to remedy technical faults. Any of these consequences could materially adversely affect our reputation, results of operations and financial condition.

In addition, we are currently undertaking an IT transformation project to simplify and modernise our IT architecture. See "—*Our transition from an infrastructure construction organisation to a service delivery organisation may disrupt our operations and may not achieve the intended business outcomes*" for further information.

We may in the future seek to acquire additional assets or businesses and to integrate these into our business. Such projects, acquisitions and developments could prove to be unsuccessful or may not generate the benefits we expect.

We have previously expanded our network through acquisitions, for instance through the acquisition of elements of the copper and HFC networks from Telstra and the TransACT FTTP network in the Australian Capital Territory. In the future, we may seek to acquire further or develop additional projects, assets, or businesses.

There can be no assurance that such acquisitions or developments will be available, successful or generate the anticipated project cash flows and returns, benefits, synergies and efficiencies that we expect. We may incur substantial costs, delays or other operational or financial difficulties in acquiring, integrating, developing and/or managing additional assets or businesses, and any such investments may divert management's attention from the operation of existing businesses. In particular, our ability to supplement our current network with new assets and to undertake additional developments on our existing infrastructure is affected by regulatory change, government policies with respect to ownership, access, and operating models for telecommunications and data infrastructure, as well as whether the ACCC will clear the transaction.

Additionally, we may encounter unanticipated events, circumstances or legal liabilities in connection with any investment, have difficulty financing or refinancing any investment, and may be unable to service any increased indebtedness as a result of such investment. The occurrence of any of the risks relating to such investment could materially adversely affect our business, results of operations and financial condition.

Adverse changes in global financial markets could limit our ability and our larger retail service provider customers' ability to access capital.

We and our major retail service provider customers require a significant amount of capital in order to operate and grow our businesses. Any disruption in global financial markets, such as disruptions associated with the global financial crisis (2007 to 2009), European sovereign debt crisis (from 2009), COVID-19 (which

disrupted the capital markets in early 2020), and the Russian invasion of Ukraine (from February 2022) may significantly increase the costs of borrowing and reduce the availability of financing. In the event of a severe disruption to global financial markets, we may not be able to secure financing or refinancing on acceptable terms, or at all, especially since financial institutions face strict capital-related and other obligations concerning their loan portfolios. If our larger retail service provider customers are unable to secure capital on acceptable terms, their ability to pay for our services may be adversely affected.

Our credit ratings may be changed, withdrawn or suspended at any time, and a ratings downgrade could increase our funding costs and decrease the value of the Notes.

Moody's and Fitch have issued ratings of our long-term senior debt and the Notes we have issued under this programme. Ratings may be changed, withdrawn or suspended at any time by a rating agency if in its judgement the circumstances warrant such change, withdrawal or suspension, for example, if there is a deterioration in our business performance, the market for our services or the economy, or a change in the perception of the level of support that the Australian government is prepared to provide. Any negative change to our rating could increase our cost of new debt, resulting in higher ongoing interest charges, or make it more difficult for us to obtain new debt at all. A downgrade may also result in a decrease in the secondary market value of our outstanding debt securities.

Any changes in Australia's sovereign credit rating may have a material adverse impact on our credit rating.

Australia is currently rated AAA (stable) by Moody's and AAA (stable) by Fitch. Although the Australian government does not guarantee or otherwise provide credit support for our borrowings (including the Notes), credit rating agencies have identified their expectation of government support as a key driver of our rating. Conversely, they have identified a downgrade in Australia's sovereign credit rating as a factor that could lead to a downgrade of our credit rating. Any negative change to our rating as a result of changes in Australia's credit rating and/or outlook may have a material adverse effect on our ability to gain access to funding and on the secondary market value of our outstanding debt securities. See "— *Our credit ratings may be changed, withdrawn or suspended at any time, and a ratings downgrade could increase our funding costs and decrease the value of the Notes*" for more information.

Privatisation, or any significant decrease in the level of government support we receive, may adversely affect our business, our credit rating and the availability and cost of new debt.

The National Broadband Network Companies Act 2011 (Cth) currently requires us to be wholly-owned by the Australian government. However, the Act sets out a series of steps, all of which must be met, following which the government ownership provisions of the Act will terminate. The steps include:

- the Minister for Communications declaring that, in his or her opinion, the NBN should be treated as built and fully operational;
- the Productivity Commission, a statutory body whose role is to advise the Australian government on economic and regulatory matters, undertakes an inquiry in respect of specified matters and the report is tabled in Parliament;
- the Parliamentary Joint Committee on the Ownership of NBN Co examining, and reporting to Parliament, on the Productivity Commission's report; and
- the Minister for Finance declaring that, in his or her opinion, conditions are suitable for entering into and carrying out of an NBN Co sale scheme (a scheme could comprise various matters, including selling all or part of us or our assets).

In December 2020, the then Minister for Communications declared that, in his opinion, the NBN should be treated as fully built and operational, but none of the other steps have taken place. Following the election in May 2022, the new Australian government stated that it will retain NBN Co in public ownership for the foreseeable future.

Once the government ownership provisions of the Act have terminated, whether or not any full or partial privatisation transaction takes place and the timing of any such transaction will be wholly within the discretion of the Australian government.

Privatisation may adversely affect our business in a number of ways. In order to prepare for a privatisation transaction, the government may make changes to policy settings or the structure of our business that adversely affect our ability to earn profits. This may be the case, for example, if the government prioritises increasing the competitiveness of the market for wholesale broadband services over maximising the equity value or the enterprise value of our business. Some of our commercial agreements, including a number of our agreements with Telstra, contain change of control provisions that give counterparties additional rights, including, in some cases, termination rights, if we cease to be controlled by the Australian government, if we were substantially restructured or if certain other telecommunications companies acquire an interest in us above a specified threshold. In addition, current or future commercial counterparties may deal with us less favourably if we are no longer owned by the Australian government or if we are perceived as no longer being supported by the Australian government to the extent we are now. At any time, including during privatisation, the Australian government may also require us to relinquish control over certain parts of our business, or adversely affect our ability to utilise carry-forward tax losses.

In addition, although the Australian government does not guarantee or otherwise provide credit support for our borrowings (including the Notes), credit rating agencies have cited the level of government support we have experienced as a favourable element in their credit evaluation of our business.

If a privatisation transaction diminishes counterparties' perception of the level of government support we can expect, we may find it more difficult to negotiate commercial agreements, our credit rating may be downgraded, and our access to debt capital and our cost of funds may be adversely affected.

We have a concentrated customer base consisting of a small number of retail service providers.

While our customer base consisted of 73 retail service providers as at 30 June 2023, we earn the majority of our revenue from a limited number of those customers. Our top five customers as at 30 June 2023 were Telstra, TPG, Optus, Vocus, and Aussie Broadband. These five retail service providers contributed approximately 91% and 94% of our total telecommunications revenue for FY23 and for FY22, respectively. Our three largest customers, Telstra, TPG and Optus contributed 40%, 22% and 14% of our telecommunications revenue for FY23 and 42%, 23% and 15% of our telecommunications revenue for FY22, respectively. Further, Telstra, TPG and Optus also offer their own competing products, such as 5G wireless broadband and their own fibre-based broadband services, as a substitute for our fixed-line broadband.

We believe that if a retail service provider customer were to fail, there would likely still be steps to ensure that end users continue to have access to broadband internet. Nevertheless, the failure or inability of any of these customers to perform their obligations to us, or the reduction of the extent to which they do business with us, may nevertheless significantly disrupt our business and adversely affect our cash flow, revenue and profitability.

We are exposed to foreign exchange risk.

Our functional and reporting currency is the Australian dollar, and we generate substantially all of our revenues in Australian dollars. From time to time, we incur obligations denominated in foreign currencies, particularly the U.S. dollar and euro. These include purchases of equipment, software and services from foreign suppliers. As at 30 June 2023, we have issued U.S.$4,050 million of medium-term notes denominated in U.S. dollars, EUR1,350 million of medium-term notes denominated in Euros, NOK3,750 million of medium-term notes denominated in Norwegian kroner, JPY5,500 million of medium-term notes denominated in Japanese yen, HKD900 million of medium-term notes denominated in Hong Kong dollars and GBP50 million of medium-term notes denominated in UK pounds sterling. We expect to continue to issue significant amounts of debt denominated in these and potentially other currencies. We are therefore exposed to the risk that the Australian dollar cost of meeting these obligations will materially increase due to changes in foreign exchange rates. We are also exposed to translation risk, which is the risk that our assets and liabilities will change in value due to changes in foreign exchange rates.

We enter into derivatives contracts to hedge some of our exposure to foreign exchange risk. Our policy is to fully hedge debt denominated in foreign currency. In addition, we enter into forward exchange contracts to hedge our exposure in relation to highly probable forecast foreign currency transactions. We also use foreign exchange options to hedge against such fluctuations in foreign currency. Our strategy is to fully hedge all material contractually certain foreign currency transactions and to hedge highly probable material foreign exchange exposures on a sliding scale dependent on the period of time until expected settlement.

While we expect that these hedges will provide us with a significant measure of protection against adverse currency movements, we may not hedge all of our exposures, including because the exact amount of anticipated exposures is uncertain or because appropriate hedging instruments are not available or too expensive. In addition, these hedging arrangements involve additional risks, such as the risk that counterparties fail to honour their obligations. To the extent that we do not effectively hedge against movements in the exchange rates of currencies in which we operate, hold cash or obtain financing, such exchange rate movements may adversely affect our earnings and/or balance sheet.

Under Australian Accounting Standards, or AAS, in order to qualify for hedge accounting treatment (whereby the cash flows from the hedges are effectively treated as part of the hedged transaction), we must comply with detailed documentation, designation and effectiveness requirements. We may not meet these requirements in all circumstances. Consequently, we may experience volatility in our reported earnings due to changes in the mark-to-market valuations of our currency derivative financial instruments. We may also incur non-cash losses in future periods.

As at 30 June 2023, a portion of our U.S. dollar exposure (relating to payments for the purchase of equipment) was unhedged. To the extent that we have this and other unhedged foreign currency exposure, movements in foreign exchange rates have the potential to reduce the capital value of our assets, investments and cash returns, and may adversely affect our earnings and/or balance sheet.

We are exposed to interest rate risk.

Changes in interest rates may increase the interest charges we pay on our borrowings, increasing the cash required to service our debt. As at 30 June 2023, the notional amount of our floating rate debt portfolio was A$7,069 million. The rest of our borrowings were at fixed rates. Taking interest rate hedges into account, the proportion of our total outstanding debt instruments utilised exposed to floating rates was 8.1% as at 30 June 2023.

We expect to make substantial additional borrowings over coming years. Changes in interest rates may result in an increase in our cost of borrowing, even if our overall debt level were to remain constant.

Although we manage all floating interest rate exposures in line with our treasury policy, the appropriate hedging instruments may be unavailable or too expensive, and the hedging transactions or treasury policies may not be effective.

The occurrence of events for which we are not insured or for which our insurance is inadequate may adversely impact our cash flows, financial performance and profitability. We may not be able to obtain appropriate insurance coverage on reasonable commercial terms, or at all.

We maintain a range of insurance policies designed to protect us against the risks associated with the operation of our infrastructure and business. Our insurance policies carry deductibles and limits which will apply in the event of a claim which may lead to us not recovering the full monetary impact of an insured event, and include terms and conditions (including exclusions) which may impact on the extent to which a relevant policy covers a claim. In addition, our insurance policies do not cover all potential risks associated with our business. We may elect not to insure or to self-insure against certain risks, such as where insurance is not available, where the premium associated with insuring against the risk is considered excessive, or if the risk is considered to have a low likelihood of eventuating. The occurrence of events for which we are not insured may adversely affect our cash flows, profitability and overall financial condition.

We may not be able to obtain appropriate insurance on commercially reasonable terms, or at all. Failure to obtain insurance could reduce our ability to access funding from banks and other financing for future

capital expenditure and other activities, and may cause us to incur significant financial loss upon the occurrence of a major uninsured or uninsurable event.

We may be unable to utilise carry-forward tax losses and we may incur costs from unanticipated tax issues.

As at 30 June 2023, we had accumulated A$29.6 billion of unrecognised tax losses, which may be available to offset against future income tax assessments when we generate taxable income. However, changes in tax legislation or the implementation of privatisation may affect our ability to utilise carry-forward tax losses.

We are subject to tax assessments and inquiries. The Australian Taxation Office ("ATO") can make or amend a tax assessment within the statutory period of review, which is four years from the day the notice of assessment is given, unless extended by court order. However, in circumstances where the ATO finds evidence of fraud or evasion, there is no time limit and the ATO can make or amend assessments at any time. As a result, we are, at the minimum, still subject to tax assessments with respect to the previous four years that remain open for assessment. Any adverse findings with respect to our tax compliance in current and previous years can adversely affect our costs of compliance, financial performance and reputation.

Any actual or alleged failure to comply with any interpretation, application, or enforcement of an applicable tax law or regulation, including changes to the law or regulation, could adversely affect our reputation and financial performance, and expose us to further legal, regulatory or other actions.

Asset impairment could have a material adverse effect on our financial condition and reported financial results.

We have non-current assets such as property, plant and equipment, right-of-use assets under leases, and intangible assets, such as software we have developed for our own use. Accounting standards require us to review these assets for indicators of impairment at the end of each reporting period. Testing for impairment is complex and requires significant professional judgement. If any indicators of impairment exist, we will estimate the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs of disposal or its value in use. If the carrying value of an asset exceeds the recoverable amount, the asset is deemed to be impaired and an impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

If an asset is impaired, we must make an asset impairment charge to our statement of profit and loss. Any asset impairment could have a material adverse effect on our financial condition and financial performance.

Connections to constrained premises may be costly and may not be completed within intended timeframes, or at all.

Our initial build phase and initial completion commitment did not include premises in future new developments, which will be an ongoing activity for us beyond the completion date of the initial build phase. Our initial build phase also did not include a proportion of premises designated as "constrained premises". Remaining "constrained premises" comprise "complex installations" and sites subject to technology change. Complex installations include premises that are difficult to access and premises in culturally significant areas and heritage sites. Sites subject to technology change were previously designated to receive fixed wireless services and must be redesigned for our fixed-line infrastructure. We estimate that approximately 1,189 constrained premises remained outstanding as at 30 June 2023. Completion of these complex installations depends on technical and engineering factors as well as factors outside our control, such as the receipt of permission from traditional owners, which we cannot guarantee. Work undertaken on Indigenous or culturally significant sites may subject us to heightened liability in the case of damage to property or premises, or increased permitting and approval requirements, which may result in delays or additional costs in relation to such installations. In certain circumstances, constrained premises may also be unable to obtain minimum speeds.

Completing the remaining complex installations could be more costly than we anticipate, and we are unlikely to recoup those costs through the revenue they generate. Failure to complete complex installations to a point where the premises become ready to connect within the intended timeframe, or at all, could breach our obligations and damage our reputation.

Risks relating to the Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features.

The Notes may not be a suitable investment for all investors.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this offering circular, any applicable supplement or any applicable pricing supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

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

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

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks" (including the London interbank offered rate ("LIBOR") and the euro interbank offered rate ("EURIBOR")) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "EU Benchmarks Regulation") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law in the UK by virtue of the EUWA (the "UK Benchmarks Regulation") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (the "FCA") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the

risk to the euro area financial system. On 11 May 2021, the euro risk-free working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

It is not possible to predict with certainty whether, and to what extent, EURIBOR will continue to be supported going forwards. This may cause EURIBOR to perform differently than it has done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks (including EURIBOR): (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference or are linked to that benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference such benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Notes referencing a benchmark.

Benchmark discontinuation under the Conditions.

The conditions of the Notes provide for certain fall-back arrangements in the event that a published benchmark, including an inter-bank offered rate such as EURIBOR, the Sterling Overnight Index Average ("SONIA") and the Secured Overnight Financing Rate ("SOFR") or other relevant reference rates, ceases to exist or be published or another Benchmark Event or SOFR Benchmark Transition Event, as applicable, occurs.

These fall-back arrangements include the possibility that:

- the Rate of Interest could be determined by reference to a Successor Rate, an Alternative Rate or a SOFR Benchmark Replacement, as applicable; and

- an Adjustment Spread or a SOFR Benchmark Replacement Adjustment (which could be positive, negative or zero), may be applied to such Successor Rate, Alternative Rate or SOFR Benchmark Replacement, as the case may be, as a result of the replacement of the relevant benchmark or screen rate (as applicable) originally specified with the Successor Rate, Alternative Rate or SOFR Benchmark Replacement (as the case may be).

Certain Benchmark Amendments or other amendments, in the case of Notes referencing SOFR, may also be made without the consent or approval of holders of the relevant SOFR Floating Rate Notes. In the case of any Alternative Rate, any (i) Adjustment Spread unless formally recommended or provided for; (ii) Benchmark Amendments; (iii) SOFR Benchmark Replacement; (iv) SOFR Benchmark Replacement Adjustment, and each of their respective related amendments, relevant replacements and adjustments (if any), together with any such other amendments, shall be determined by the Issuer (acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser) or, in the case of SOFR the SOFR Benchmark Replacement Agent, if any. Any Adjustment Spread or SOFR Benchmark Replacement Adjustment that is applied may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) or SOFR Benchmark replacement (including with the application of a SOFR Benchmark Replacement Adjustment) will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Rate of Interest) than they would if the relevant benchmark were to continue to apply in its current form.

In certain circumstances the ultimate fall-back for the purposes of calculation of interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last

observed on the Relevant Screen Page or the initial Rate of Interest applicable to such Notes on the Interest Commencement Date. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate, any determinations that may need to be made by the Issuer and the involvement of any Independent Adviser, the relevant fall-back provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value, market price or liquidity of and return on any such Notes. Any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes and could also have a material adverse effect on the value, market price or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates.

Where the applicable Pricing Supplement for a series of Floating Rate Notes specifies that the interest rate for such Floating Rate Notes will be determined by reference to SONIA or SOFR ("SONIA-Linked Notes" and "SOFR-Linked Notes", respectively), interest will be determined on the basis of Compounded Daily SONIA or Compounded Daily SOFR, respectively (each as defined in the conditions of the Notes). All such rates as based on "overnight rates". Overnight rates differ from interbank rates, such as LIBOR, in a number of material respects, including (without limitation) that such rates are backwards-looking, compounded, risk-free or secured overnight rates, whereas LIBOR is expressed on the basis of a forward-looking term and includes a credit risk element based on inter-bank lending. As such, investors should be aware that overnight rates may behave materially differently as interest reference rates for Floating Rate Notes issued under the programme compared to interbank rates. The use of overnight rates as reference rates for notes is subject to continued change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of notes referencing such overnight rates.

Accordingly, prospective investors in any Floating Rate Notes referencing any overnight rates should be aware that the market continues to develop in relation to such rates in the capital markets and their adoption as an alternative to interbank offered rates such as LIBOR. Market participants, industry groups and/or central bank-led working groups have explored compounded and weighted average rates and observation methodologies for such rates (including so-called "shift", "lag" and "lock-out" methodologies) and forward-looking "term" reference rates derived from these overnight rates have also been, or are being, developed. The adoption of overnight rates may also see component inputs into swap rates or other composite rates transferring from LIBOR or another reference rate to an overnight rate.

The market or a significant part thereof may adopt overnight rates in a way that differs significantly from those set out in the conditions of the Notes issued under the Programme. In addition, the methodology for determining any overnight rate index by reference to which the Rate of Interest in respect of certain Notes may be calculated could change during the life of any Notes. Furthermore, the Issuer may in the future issue Notes referencing SONIA or SOFR that differ materially in terms of interest determination when compared with any previous SONIA or SOFR referenced Notes issued by it under the Programme. The continued development of overnight rates as interest reference rates for the bond markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise adversely affect the market price of any such Notes issued under the Programme from time to time.

Furthermore, the Rate of Interest on Notes which reference overnight rates is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference overnight rates to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Further, in contrast to LIBOR-based Notes, if Notes referencing an overnight rate become due and payable as a result of an Event of Default under Condition 10, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable.

In addition, the manner of adoption or application of overnight rates in the bond markets may differ materially when compared with the application and adoption of the same overnight rates for the same currencies in other markets, such as the derivatives and loan markets. Investors should carefully consider how any

mismatch between the adoption of overnight rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing overnight rates.

Investors should carefully consider these matters when making their investment decision with respect to any such Floating Rate Notes.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings of Noteholders (including by way of teleconference or videoconference call) to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders that did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this offering circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this offering circular and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder that, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder that, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Holders of Notes held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders.

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under "Form of the Notes"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Rule 15c2-11 under the Exchange Act may in future limit the ability of U.S. brokers and dealers to provide quotations on our debt securities unless certain information about us and our business is publicly available. If brokers and dealers are unable or decline to provide quotations on the Notes, liquidity in the secondary trading market for the Notes may be materially adversely affected.

If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the relevant Specified Currency indicated in the applicable Pricing Supplement. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a limited period of time, transitional relief accommodates continued use of existing pre-2021 ratings for regulatory purposes in the UK provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this offering circular.

Noteholders' ability to enforce certain rights in connection with the Notes may be limited or affected by reforms to Australian insolvency legislation relating to "ipso facto rights".

Under the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 (Cth) (the "Act"), any right under a contract, agreement or arrangement (such as a right entitling a creditor to terminate a contract or to accelerate a payment under a contract) arising merely because a company, among other circumstances, is under administration, has appointed a managing controller or is the subject of an application under section 411 of the Australian Corporations Act (i.e. "ipso facto rights"), will not be enforceable during a prescribed moratorium period.

The Corporations Amendment (Stay on Enforcing Certain Rights) Regulations 2018 (the "Regulations") set out the types of contracts that are excluded from the operation of the stay on the enforcement of "ipso facto rights". The Regulations provide that a contract, agreement or arrangement that is for, or governs, securities, financial products, bonds or promissory notes is exempt from the "ipso facto" moratorium. Furthermore, a contract, agreement or arrangement under which a party is or may be liable to subscribe for, or to procure subscribers for, securities, financial products, bonds or promissory notes is also excluded from the stay. Accordingly, the Regulations should exclude the Notes and certain other arrangements under the Programme from the stay. However, since their commencement in 2018, the Act and the Regulations have not been the subject of judicial interpretation. If the Regulations are determined not to exclude the Notes or any other arrangements relating to the Programme from their operation under the exclusions mentioned above or any other exclusion under the Regulations, this may render provisions of the Notes or Programme unenforceable in Australia where those provisions are conditioned solely on the occurrence of events giving rise to "ipso facto rights". Investors should seek independent advice on the implications (if any) of these laws and regulations on their investment in the Notes.

USE OF PROCEEDS

Unless we specify otherwise in the applicable Pricing Supplement, we intend to use the net proceeds from the sales of Notes for general corporate purposes, which may include repaying borrowings under our loan facility with the Australian government, of which A$5.5 billion remained outstanding as at 30 June 2023, at, or prior to, maturity.

CAPITALISATION

The following table sets forth our capitalisation as at 30 June 2023. You should read the following table in conjunction with "Operating and Financial Review" and our audited financial statements incorporated by reference herein.

	As at 30 June 2023 (A$ million)
Indebtedness	
Australian government loan	5,500
Bank credit facilities[(1)]	4,646
Medium Term Notes	13,679
Promissory notes	1,998
Total borrowings (excluding transaction costs and fair value movements)	**25,823**
Equity	
Contributed equity	29,805
Other reserves	914
Accumulated losses	(33,833)
Total equity	**(3,114)**
Total capitalisation	**22,709**

Notes:
(1) Amount drawn, including bank overdraft facility

OPERATING AND FINANCIAL REVIEW

You should read the following operating and financial review together with "Summary Financial and Other Data" and financial statements incorporated by reference herein. This section contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out in "Risk factors".

This Operating and Financial Review is divided into the following sections:

- **Overview** – description of our business and a discussion of the basis of preparation of our financial statements and the effect of recent changes in accounting standards.
- **Key income statement measures and their drivers** – a discussion of key income statement line items, their components and the most important factors that drive our results.
- **Results of operations –** a discussion and analysis of our results of operations for the year ended 30 June 2023 compared to the year ended 30 June 2022 and for the year ended 30 June 2022 compared to the year ended 30 June 2021.
- **Liquidity and capital resources** – an analysis of our cash flows and sources and uses of cash.
- **Contractual obligations and other commitments –** a summary of our debts and contractual obligations.
- **Quantitative and qualitative disclosures about market risk –** disclosures regarding our market risk.
- **Critical accounting policies –** a discussion of our accounting policies that require critical judgments and estimates.

Overview

Description of NBN Co

NBN Co was established by the Australian government in 2009 to design, build and operate Australia's national wholesale broadband access network, known as the NBN. The NBN is a wholesale-only open access data network that delivers high speed broadband services to households and businesses in metropolitan and regional areas of Australia. We were established as a government business enterprise to fulfil the national policy objective of lifting Australia's digital capability. As at 30 June 2023, the Australian government has invested A$29.8 billion in equity and provided A$19.5 billion of loans to our company.

We commenced construction of the network in 2010 and completed the initial build phase of the network in June 2020. As at 30 June 2023, the NBN was available to approximately 12.3 million Australian premises, of which more than 8.5 million premises were connected to the NBN. As at 31 December 2022, connections to the NBN accounted for 95% of Australian fixed-line residential broadband connections. Together, our fixed-line, fixed wireless and satellite technologies create a network that spans Australia. Our network connects to 121 "points of interconnection" where end user traffic is handed over between the NBN and the networks of our retail service provider customers.

As a wholesale network operator, we provide access to the NBN and related activities to access seekers, including retail service providers, on a non-discriminatory basis. End users connect to the NBN through retail service providers for access to high speed broadband. Retail service providers contract with the end users and manage most aspects of the commercial relationship, including onboarding, billing and customer support services, while we are responsible for installing and maintaining the connection to end user premises.

We earn the vast majority of our revenue from retail service providers, which purchase wholesale broadband access products to integrate into their IP networks and systems to create retail broadband services for their end users. The remainder of our revenue comes from construction and lease activity, as well as licensing

fees from Telstra for the right to access copper and HFC networks and deliver legacy services for a limited period after the NBN fixed-line network becomes available in an area Telstra previously served.

Before we were established, Telstra and Optus were the two leading owners of telecommunications networks capable of delivering fixed-line internet services in Australia. In 2011, we entered into commercial agreements with both Telstra and Optus to facilitate the migration of most of their residential fixed-line customers to the NBN as it became ready for service. Under these agreements, which were amended in 2014 to reflect the multi-technology mix model, we pay a fixed fee to Telstra for each customer disconnected from existing Telstra fixed-line services and to Optus per customer migrated to the NBN fixed-line network. We recorded these fees as "subscriber costs" in our income statement. With the completion of the initial build phase of the network, subscriber costs have virtually ceased in FY23 and we do not expect to incur substantial subscriber costs in subsequent periods.

Since the completion of the initial build phase, our strategic focus has shifted towards operating effectively as a customer-led service delivery organisation. This involves enabling retail service providers to optimise end user experience, monitoring the quality of our assets over a long-term maintenance and upgrade cycle, rationalising our IT systems and reviewing our organisational structure and capabilities to ensure that we are equipped to perform optimally for the long term. Following the transition, subscriber costs have virtually ceased in FY23.

We have been undertaking a series of network upgrades designed to make our highest residential speed tier (Home Ultrafast) available to more of our fixed-line network. In October 2022, the Australian government announced that it would invest A$2.4 billion to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. This funding will be provided in the form of equity injections under an Equity Funding Agreement signed in June 2023. In June 2023, we received the first A$305 million under this agreement. We are also undertaking a A$750 million investment to upgrade services within our fixed wireless and satellite footprint in order to provide faster broadband across regional Australia. The Australian government has contributed a grant of A$480 million towards this investment.

We have generated substantial accounting losses since our inception, with accumulated losses of A$33.8 billion as at 30 June 2023. As at 30 June 2023, we had negative equity (total assets less total liabilities) and negative working capital (current assets less current liabilities). We have consistently incurred net losses after tax. Since FY21, when we completed the initial build phase of the network and the migration of end users from legacy networks to the NBN was well-advanced, our EBITDA and operating cash flow have been positive. However, we continue to incur substantial non-cash depreciation charges on our network assets, as well as financing costs, the combined effect of which is to drive net losses. Our net cash flow, which continues to be affected by our substantial level of capital expenditure, was an outflow of A$72 million for FY23, an inflow of A$112 million for FY22 and an outflow of A$343 million for FY21. We consider our accumulated losses and negative equity in the context of our stage in the lifecycle of an infrastructure developer, and we anticipate that our negative equity may grow over the next several years.

As at 30 June 2023, we had recognised A$35.6 billion in property, plant and equipment and intangible assets, of which A$33.8 billion relates to network assets. AAS required us to begin recognising depreciation on these assets as soon as they were built and available for use, whereas the revenue they generate takes some time to grow. As at 30 June 2023, the accumulated depreciation and amortisation on our assets was A$20.7 billion.

In addition, as at 30 June 2023, we have expensed A$10.1 billion of subscriber costs since 2014. Although the circumstances in which we incurred these costs usually resulted in an end user connecting to the NBN from which we generate ongoing revenue, AAS required us to expense subscriber costs rather than capitalising them as the acquisition of an intangible asset if the criteria of AASB 138 *Intangible Assets* are not met. In addition, we have incurred considerable amounts of debt to fund building our network, resulting in significant interest costs and debt on our balance sheet.

As at 30 June 2023, we had accumulated A$29.6 billion of unrecognised tax losses. Under AAS 112 *Income Taxes*, subject to certain conditions, unused tax losses can be treated as an asset when it is probable that future taxable profits will be available to utilise these tax losses. We anticipate that in accordance with this standard, we will bring these losses to account as an asset over time as we approach profitability and beyond.

Our negative working capital primarily reflects timing differences between the shorter payment terms we require of our retail service provider customers and the longer terms we receive from certain contractors and Telstra for infrastructure and subscriber payments. See "—Liquidity and capital resources – Working capital".

Basis of preparation

We prepare our financial statements in accordance with Australian Accounting Standards, or AAS, as adopted by the Australian Accounting Standards Board. Our financial statements also comply with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board.

We have prepared our financial statements on a going concern basis. Our Directors are of the view and the financial statements have been prepared on the basis that the Australian government will continue to operate in accordance with the policy objectives as set out in the Statement of Expectations as issued by the Shareholder Ministers to NBN Co on 19 December 2022. See Note A to our financial statements for FY23 and "Relationship with the Australian Government" for further information.

As at 30 June 2023, our current liabilities exceeded our current assets by A$9,215 million and we had net liabilities of A$3,114 million.

Our long-term funding strategy is to raise external debt in order to finance the repayment of our loan from the Australian government and execute the additional network investments we are implementing. The remaining A$5.5 billion drawn down from the loan facility with the Australian government as at 30 June 2023 is due to be repaid by 30 June 2024. We closely monitor the risks associated with funding our operations and we expect to execute against our refinancing plan. This ability to obtain funding is evidenced by the fact that we have entered into facility agreements securing access to A$11.2 billion of long-term bank debt of which A$4.6 billion was drawn as at 30 June 2023 and issued the equivalent of A$13.7 billion of debt securities in a range of currencies under our AMTN and GMTN programmes as at 30 June 2023. We have also issued A$2.0 billion of short-term promissory notes under our promissory note programme. As at 30 June 2023, cash reserves and the remaining undrawn components of the committed debt facilities are sufficient to meet our net cash flow forecasts for at least twelve months.

Changes in significant accounting policies

AASB 2020-8 Amendments to Australian Accounting Standards

We adopted AASB 2020-8 "Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2" ("Phase 2") effective from 1 July 2020. The interest rate benchmark reform aims to discontinue Interbank Offered Rates ("IBORs") and replace these interest rate benchmarks with alternate Risk Free Rates ("RFRs"). The Phase 2 amendments enable us to reflect the effects of transitioning IBORs to RFRs without giving rise to accounting impacts that would not provide useful information to users of financial statements.

Currently, the Phase 2 amendments only apply to certain currencies and as at 30 June 2023, we have borrowings and derivative financial instruments in both USD and JPY which are potentially impacted. Although we have no direct IBOR exposure to these currencies (as the borrowings and derivative financial instruments are fixed rate in nature), some of the underlying hedge relationships reference IBOR, and as such, we need to consider the impact of the IBOR reform on borrowings and derivative financial instruments issued in both these currencies.

Our JPY debt issuances, including associated hedging instruments, were transacted with reference to the applicable RFR and are in compliance with the reform.

However, as at 30 June 2023, we have designated cross-currency interest rate swaps based on USD LIBOR swap rates which will be impacted upon the discontinuation of USD LIBOR on 30 June 2023. The impact on transition is not expected to have a material impact on our financial statements. We will apply the transition relief permitted under the standard and re-designate our existing cross-currency interest rate swaps with reference to the applicable RFR.

Our assessment of exposures linked to USD LIBOR as at 30 June 2023 is set out in the table below.

Notional in USD	Notional in AUD	Maturity	Hedge relationship	Hedging instrument (prior to transition)	Hedged Item	Transition Progress
USD4.05 billion	AUD5.42 billion	2026 to 2032	Fair value hedge	Receive benchmark interest rate (LIBOR3m) portion of USD coupon, pay LIBOR3m.	Benchmark interest rate (LIBOR3m) portion of USD coupons over the life of the bond.	The overall economics of the hedging transactions will not be modified as part of the transition process as there is no direct exposure to LIBOR, however, should any benchmark rates change this will be effected in the underlying hedge relationships. At 30 June 2023, no hedging instruments or related hedged items linked to USD LIBOR have transitioned to alternative benchmark rates.
			Cash flow hedge	Receive LIBOR3m, pay AUD BBSW3m combined with USD and AUD principal exchanges at effective and maturity date.	USD principal repayment of the bond from first repayment date until maturity of the bond.	
			Cash flow hedge	Receive USD margin above the benchmark interest component of the fixed USD coupon, pay AUD margin above the benchmark BBSW3m.	USD Margin above benchmark rate component of the USD fixed coupon payable on the bond (equivalent to credit margin on borrowing) over the term of the bond.	

New standards and interpretations available for early adoption

A number of standards, amendments and interpretations were applicable for the first time from 1 July 2022. These have not had a significant or immediate impact on our financial statements.

New standards and interpretations are also available for early adoption from 1 July 2023. The amendments to these standards are not expected to have a material impact on our financial statements.

Key income statement measures and their drivers

In this section, we discuss the key components of our revenue and expenses and discuss the internal and external factors that affect our results.

Revenue

We primarily earn revenue from providing wholesale access to the NBN and related services to retail service provider customers, which sell broadband access products to their end users. We refer to this revenue as telecommunications revenue. We report our telecommunications revenue as either residential or business revenue according to the end user to which it relates. For FY23, FY22 and FY21, telecommunications revenue comprised 97%, 98% and 96% of our total revenue, respectively. We also earn other revenue, mainly from construction and lease activity.

The following table shows our revenue for FY23, FY22 and FY21.

	FY23	FY22	FY21
		(A$ million)	
Telecommunications revenue			
Residential	4,033	3,984	3,608
Business	1,104	1,020	840
Total telecommunications revenue	**5,137**	**5,004**	**4,448**
Other revenue	132	99	181
Total revenue	**5,269**	**5,103**	**4,629**

Telecommunications revenue

Our main source of telecommunications revenue is the ongoing monthly charges for the wholesale broadband access products we provide to retail service providers under the Wholesale Broadband Agreement, or WBA, discussed below. We invoice retail service provider customers monthly with short-term payment terms, but recognise the revenue for accounting purposes evenly over the period for which services are provided. Telecommunications revenue also includes one-off charges such as new development connection charges, installation charges, services transfers and contributions we receive from retail service providers. We recognise these charges at the point in time when these services are provided.

The main drivers of telecommunications revenue are:

- the number of premises with an active service connected to the NBN, which we refer to as "premises activated" as at a point in time or "net premises activated" for a period; and
- the mix of higher and lower priced products.

The number of premises activated has steadily increased as we rolled out the network and increased the number of premises that were ready to connect, meaning that they can place a service order through a retail service provider for connection to the NBN. The following table shows the growth in the number of premises that are ready to connect and connected since 2019.

	As at 30 June				
	2023	**2022**	**2021**	**2020**	**2019**
Premises ready to connect[(1)] (million)	12.3	12.1	12.0	11.7	10.0
Premises activated (million)	8.6	8.5	8.2	7.3	5.5
Percentage of ready to connect premises activated	69.9%	70.2%	68.5%	61.9%	55.6%

Notes:

(1) A premises is ready to connect when an NBN service order can be placed and the service can be connected within an area that has been declared ready for service. In FY21, ready to connect premises included those which were temporarily categorised as HFC supply constrained, where our work on the network was complete but in the short-term an order could not be placed due to a global supply shortage impacting our HFC connections. We recommenced taking orders for new HFC connections on 26 July 2021.

We completed the initial build phase of the network in June 2020. We continue to expand the network to new developments and to premises that we consider "constrained premises" due to issues such as access challenges or cultural significance or heritage value. Under our agreements with Telstra and Optus, those companies are generally obliged to disconnect their fixed-line end users within 18 months of the NBN fixed-line network becoming available. The rate of NBN take-up varies, and can be affected by factors such as the technology available and the demographics of an area, which can influence factors such as the prevalence of mobile-only households, the number of vacant premises and the availability of alternative fibre providers.

As a result of reaching the end of the volume build phase of our network at the end of FY20, the number of new connections decreased significantly in FY22 compared to FY21, and we expect the number of new connections to remain at a significantly lower level compared to prior years.

Under WBA4, we sell wholesale broadband access products in three traffic classes, with different speed tiers within each class. The classes are:

- TC1 – a committed information rate, or CIR, symmetrical service designed to support business grade Voice over Internet Protocol, or VoIP, services;
- TC2 – a CIR symmetrical service designed for business grade data services; and
- TC4 – a "best efforts" asymmetrical service designed for general internet applications such as residential internet and non-critical business data applications.

In FY23, 95% of our telecommunications revenue came from TC4 services.

See “Business – Our products” and “Business – Pricing and regulation” for more information about our products and pricing.

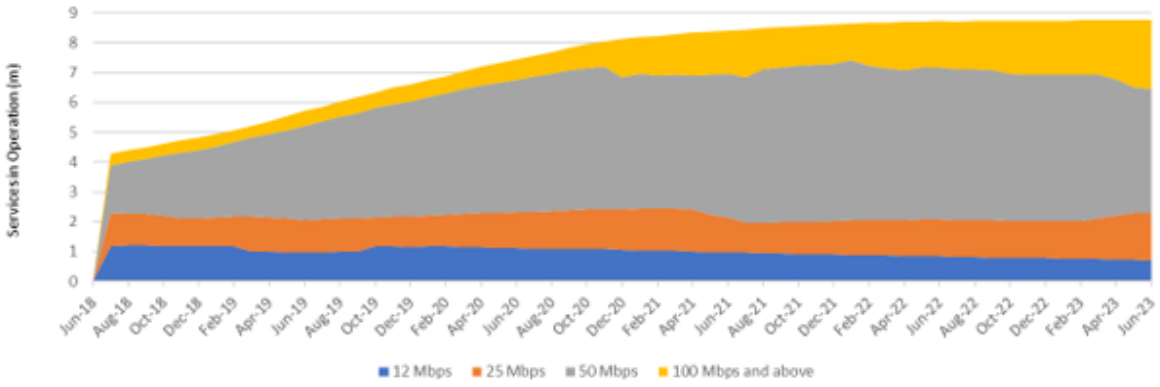
We measure the effect of product mix on our telecommunications revenue by calculating the average revenue per user, or ARPU, which is broadly calculated by dividing our recurring telecommunications revenue generated from the provision of ongoing wholesale broadband access products to retail service providers under the WBA by the average number of connections during the period. We separately calculate the ARPU relating to residential end users, which is the largest part of our business and is a relatively homogenous market in terms of end user requirements and the product suite we offer. The diversity of the business customer base and the range of products we offer makes business ARPU a less useful measure. The following table shows our ARPU and residential ARPU for each of the last five fiscal years.

	FY23	FY22	FY21	FY20	FY19
ARPU (A$/month):					
Residential.....	47	46	45	45	44
ARPU.....	47	49	48	47	46

WBA4 sets out prices for each of the four product components required to deliver a TC4 wholesale broadband service to an end user:

- A network-to-network interface, or NNI, at the point of interconnection through which it wishes to provide the service;
- Connectivity Virtual Circuit, or CVC, capacity;
- An Access Virtual Circuit, or AVC, for the premises it wishes to service; and
- A User Network Interface, or UNI, which is the physical port through which the end user’s premises are connected to the NBN.

While originally we charged for these components separately, over time we have moved to a model where currently under WBA4 over 99% of our residential connections relate to a bundled product where we include a specified amount of CVC capacity with each AVC purchased. Under this pricing model, our ARPU is primarily driven by the speed tiers selected, although increased demand for data tends to drive the selection of higher speed tiers. As demand for data grows, we expect that take-up of higher speed products will grow as well. An important part of our business strategy is to grow ARPU and revenue over time by encouraging and facilitating the take up of higher speed tier, higher value products. The following chart shows the change in our speed tier mix between July 2018 and June 2023.



Under WBA4, we charge retail service provider customers for CVC provisioned capacity in excess of the inclusions within the bundled products (which, under WBA4, retail service providers are able to pool across services). We refer to these charges as “overage”. In FY23, overage charges represented less than 3% of our total revenue. Because of the substantial increase in usage of the NBN after the initial onset of COVID-19, we offered our retail service provider customers credit for some additional CVC capacity on an “as required” basis. We wound back this credit by 25% in December 2020, 50% in January 2021 and removed it thereafter. In FY22, we made *ex gratia* payments totalling A$14.1 million to retail service providers as CVC relief in response to

increased usage as a result of lockdown restrictions in the 2021 calendar year. We made these payments on the basis of a rebate of overage charges payable on data demand during July to December 2021 in excess of the compound annual growth rate baseline of 25 percent.

Our prices are subject to regulation, including under our SAU. To date, the prices we have charged for our broadband access products have been below those we would be permitted to charge under the SAU. We are engaged in a process with the ACCC and industry stakeholders to vary our SAU to, among other things, introduce a new pricing construct. See "Business—Pricing and regulation", "Regulation—Our Current Special Access Undertaking" and Regulation—Variation of the SAU" for further information.

Other revenue

We also earn non-telecommunications revenue, mainly from construction and lease activity, through separate contractual arrangements. These include:

- fees from commercial works for builders and developers, such as relocating cables and network equipment;
- new development fees, which are the payment developers make for the deployment of infrastructure and backhaul construction; and
- application, design and construction fees paid under our "technology choice" programme, which enables end users to pay for the deployments of technologies other than the technology deployed at their premises.

Direct network costs

Our direct network costs are the expenses of operating, maintaining and assuring the NBN. These include maintenance and restoration costs, the costs of service assurance activities and network power. While initially our network costs grew as we built out our network, due to economies of scale, our network costs have stabilised as the footprint of our network and number of retail service provider customers and end users have increased. These payments are recognised within the calculation of the relevant right-of-use asset with an offsetting liability, and we recognise associated depreciation and amortisation and finance charges separately.

For more information on our lease liabilities, see Note C8 to our audited financial statements for FY23.

Employee benefit expenses

Our employee benefit expenses include the wages, salaries and superannuation costs of our employees and the costs of our temporary contractors, excluding the portion of those costs that is directly attributable to constructing, creating or improving non-current assets. We capitalise those costs as part of the cost base of the relevant asset in accordance with accounting standard requirements. The size of our workforce peaked at the end of FY18 at approximately 6,800 full-time equivalent employees and temporary contractors. Our workforce has contracted to approximately 4,475 full-time equivalent employees and temporary contracts as at 30 June 2023 and we continue to restructure and reduce our workforce as part of our transition to a service delivery organisation. In March 2023, we announced that we will reduce our employee base by around a further 500 people, or about 10% of our workforce.

Other operating expenses

Other operating expenses are the costs associated with IT and software applications, outsourced business operations, strategic consulting, legal and regulatory services, communication and public information provisions, commercial properties and other employee-related expenditure. As we have transitioned from network rollout to a service delivery organisation, our other operating expenses have continued to decline as a result of cost reduction initiatives.

Subscriber costs

Subscriber costs primarily consist of the payments we are contractually obliged to make to Telstra for each premises it disconnects from its own network once the NBN fixed-line network is available in an area and to Optus for each subscriber they migrate to the NBN fixed-line network, as well as small amounts of expenditure for medical alarm and satellite subsidy schemes. From the time the NBN fixed-line network became available in a locality, Telstra and Optus generally had 18 months to disconnect their legacy residential copper and HFC customers. Subscriber costs have broadly tracked the growth in new connections, peaking in FY20 at A$2.4 billion and falling to A$175 million in FY22. Now that we have completed the initial build phase of the NBN, subscriber costs virtually ceased in FY23. Our accounting policy, consistent with accounting standards, is to expense subscriber costs rather than capitalise them as an intangible asset on the balance sheet.

For FY22 and prior periods, we recorded subscriber costs separately in our statement of profit or loss. For FY23, we recorded subscriber costs in other operating expenses.

Depreciation and amortisation expense

Depreciation and amortisation expense measures our non-cash charges for depreciation on our property, plant and equipment and amortisation on our intangible assets. We calculate depreciation and amortisation on a straight line basis over the estimated useful life of each asset, or in the case of leasehold improvements and certain leased network assets and other assets, the shorter of the lease term or useful life. The estimation of the useful lives of our property, plant and equipment involves significant estimation and judgment and, because of the value of the property, plant and equipment comprising our network assets, those judgments have a significant effect on our depreciation expense and therefore our financial results. For example, if we have underestimated the useful lives of our network assets, our depreciation charges may exceed the economic cost of using those assets and, conversely, we will cease incurring depreciation on those assets while we continue to use them to generate economic gain. See Note C3 to our audited financial statements for FY23 for more information on how we calculate depreciation and amortisation.

Our property, plant and equipment primarily consists of our network assets. As we have built out our network, the carrying value of the network has increased, which has resulted in higher depreciation charges. Our adoption of AASB 16 at the start of FY20 has resulted in an increase in depreciation resulting from the remeasurement of leases previously categorised as finance leases, which include our lease of Telstra infrastructure, and the recognition of right-of-use assets for leases previously categorised as operating leases, which we depreciate on a straight line basis over the shorter of the asset's useful life or the lease term.

Our intangible assets mostly consist of internally generated software and telecommunications licenses.

Other income

Other income is split between other operating income and other non-operating income.

From time to time, we receive various government grants, including payments under the Regional Broadband Scheme. See "Regulation—Universal Service Guarantee (USG) and consumer protection policy framework—Regional Broadband Scheme". In the statement of financial position, we recognise government grants received in advance of us incurring the related expenditure as a deferred gain when the grant is received. We recognise the gain in profit or loss on a systematic basis over the periods in which we recognise expenditure for which the grants are intended to compensate. We account for these gains as "other operating income".

From time to time, we receive network assets for no consideration from developers and the Commonwealth Government as part of the build of our network in new development areas. We record assets received for no consideration at fair value and credit the resulting gain to deferred income. The gain is released to other non-operating income on a straight-line basis over the expected useful lives of the relevant assets to match the depreciation charge. We account for these gains as "other non-operating income".

Net finance costs

Net finance costs primarily comprise interest on our borrowings and the finance charge component of the right-of-use assets related to our leases. During FY20 and FY19, our borrowings primarily comprised our

drawings under our loan facility from the Australian government. We also had working capital facilities for part of that period. Since April 2020, we have also had committed bank credit facilities, which we began to draw in the first half of FY21.We undertook our inaugural Australian Medium Term Note issuances in December 2020, and also issued U.S.$4,050 million, NOK3,750 million, A$850 million, JPY5,500 million, EUR1,350 million, HKD900 million and GBP50 million of notes under our GMTN programme throughout FY21, FY22 and FY23. As at 30 June 2023, we have also issued A$2.0 billion of short-term promissory notes under our promissory note programme. For more information on our borrowings, see "—Liquidity and capital resources – Overview". Our borrowings have steadily increased as we have drawn cash to fund our network construction and operations. Our loan from the Australian government bears interest at a fixed rate of 3.96% per annum. As at 30 June 2023, we had used A$14.0 billion of proceeds from our bank facilities and debt capital markets issuances to repay a portion of this loan. The weighted average interest rate on our drawn borrowings increased from 2.55% at 30 June 2022 to 3.18% at 30 June 2023, reflecting the impact of higher market interest rates on our new borrowings and floating rate debt.

The finance component of leases relates principally to our infrastructure leases with Telstra. Our adoption of AASB 16 at the start of FY20 has resulted in an increase in finance charges resulting from the remeasurement of leases previously categorised as finance leases as well as recognizing finance charges for leases previously categorised as operating leases.

The amount of Telstra infrastructure we lease has grown as our network footprint has grown, and, accordingly, so has the related finance charges. These charges are adjusted for inflation annually.

Income tax

Because we have not made any profits, our income tax charges and benefits have been negligible over the historical periods. As at 30 June 2023, we had accumulated A$29.6 billion of unrecognised tax losses, which, subject to certain conditions, will be available to us to offset future taxable profits in calculating our income tax liability. Under the AAS, tax losses are recognised as a deferred tax asset where it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Under this standard, we have not recognised a deferred tax asset relating to these losses.

Results of operations

Comparison of FY23 to FY22

In FY23, we reported a net loss after tax of A$1,119 million, compared to a loss of A$1,468 million in FY22.

An increase in premises activated, together with an increase in residential ARPU driven by demand for higher wholesale broadband tiers, combined to drive revenue growth, while our operating costs decreased, resulting in EBITDA of A$3,593 million. Subscriber costs have virtually ceased as at 30 June 2023 due to reduced Telstra disconnection and Optus migration activity. Depreciation and amortisation expense of A$3,082 million and net finance costs of A$1,658 million contributed to the loss for the year.

Revenue

Revenue in FY23 was A$5,269 million, an increase of A$166 million, or 3.3%, compared to A$5,103 million in FY22. Telecommunications revenue grew by A$133 million, or 2.7%. This was driven by an increase in premises activated (8.6 million premises activated at 30 June 2023 compared to 8.5 million premises activated at 30 June 2022) and an increase in residential ARPU from A$46 per month in FY22 to A$47 per month in FY23. The increase in residential ARPU primarily reflects demand for higher wholesale broadband tiers. As at 30 June 2023, 73% of end users were on plans based on wholesale speed tiers of 50 Mbps or above (compared to 76% as at 30 June 2022), and 26% were on plans based on wholesale speed tiers of 100 Mbps or above (compared to 18% as at 30 June 2022). The following table sets out a breakdown of our revenue and key operating statistics.

	FY23	FY22	% Change
Premises activated	8.6 million	8.5 million	1.2%
Residential ARPU (A$/month)	47	46	2.2%
ARPU (A$/month)	47	49	-3.3%
Revenue comparison (A$ million)			
Telecommunications revenue – Residential	4,033	3,984	1.2%
Telecommunications revenue – Business	1,104	1,020	8.2%
Telecommunications revenue – Total	**5,137**	**5,004**	**2.7%**
Other revenue	132	99	33.3%
Total revenue	**5,269**	**5,103**	**3.3%**

Other revenue of A$132 million increased by A$33 million, or 33.3%, compared to A$99 million in FY22. Other revenue includes revenue from developers, commercial works activities and the "technology choice" programme, as well as licensing fees.

Other income

Other operating income was A$133 million in FY23, an increase of A$90 million, or 209.3%, compared to A$43 million in FY22. We recognise other operating income in relation to various government grants.

Other non-operating income was A$35 million in FY23, an increase of A$5 million, or 16.7%, compared to A$30 million in FY22. This represents the release of deferred gains related to gifted assets from developers or to assets received from government entities in the form of a grant.

Operating expenses

Our operating expenses in FY23 were A$1,809 million, a decrease of A$223 million, or 11.0%, compared to A$2,032 million in FY22. This decrease was the result of a decrease in direct network costs and other operating expenses, partially offset by an increase in employee benefits expenses. Beginning in FY23, we record any subscriber costs in other operating expenses. Subscriber costs for FY23 were A$1 million. Prior to FY23, subscriber costs were separately disclosed in the statement of profit or loss.

Direct network costs were A$618 million in FY23, a decrease of A$112 million, or 15.3%, compared with A$730 million in FY22. The decrease in direct network costs was primarily driven by lower assurance costs related to service faults due to both a reduced volume of incidents and lower average rates, despite the increase in the number of end users connected to the NBN network.

Employee benefits expenses increased by A$51 million, or 7.9%, from A$647 million in FY22 to A$698 million in FY23. This increase is due to higher termination costs incurred in relation to restructuring as we continue to focus on achieving cost efficiencies through simplification and digitisation of our internal operations.

Other operating expenses decreased by A$162 million, or 24.7%, from A$655 million in FY22 to A$493 million in FY23. Other operating expenses included A$1 million of subscriber costs in FY23 and A$175 million in FY22. The remaining categories of other operating expenses (which cover a range of activities but are primarily associated with IT and software applications, outsourced business operations, strategic consulting, legal and regulatory services, communication and public information provision, commercial properties, and other indirect employee-related expenditure) were stable compared to FY22 despite inflationary pressures.

Depreciation and amortisation

Depreciation and amortisation expense was A$3,082 million in FY23, a decrease of A$459 million, or 13.0%, compared to A$3,541 million in FY22, following adjustments to extend the estimated useful lives of certain network asset categories, which resulted in a lower depreciation expense.

Net finance costs

Net finance costs were A$1,658 million in FY23, an increase of A$188 million, or 12.8%, compared to A$1,470 million in FY22. Our borrowings totalled A$25,816 million at 30 June 2023, compared to A$24,579 million at 30 June 2022. The increase in net finance costs reflects the higher debt level together with the effect of higher market interest rates on our new fixed rate borrowings and our floating rate debt. The weighted average cost of our issued and drawn debt was 3.18% as at 30 June 2023 compared to 2.55% as at 30 June 2022.

Income tax

Income tax expense was A$10 million in FY23, compared to an income tax benefit of A$399 million in FY22. The income tax expense relates to the recognition of previously unrecognised deductible temporary differences as a deferred tax asset to offset a deferred tax liability created as a result of the movement in the cash flow hedge reserve and cost of hedging reserve, which is recognised directly in the reserves to which it relates.

Comparison of FY22 to FY21

In FY22, we reported a net loss after tax of A$1,468 million, compared to a loss of A$3,837 million in FY21.

New connections, including the full period effect of connections completed in FY21, together with a small increase in residential ARPU, combined to drive revenue growth, while our operating costs decreased, resulting in EBITDA before subscriber costs of A$3,289 million. The slowing rate of new connections resulted in lower subscriber costs than FY21, resulting in a substantial increase in EBITDA to A$3,114 million from A$1,355 million in FY21. Depreciation and amortisation expense of A$3,541 million and net finance costs of A$1,470 million contributed to the loss for the year.

Revenue

Revenue in FY22 was A$5,103 million, an increase of A$474 million, or 10.2%, compared to A$4,629 million in FY21. Telecommunications revenue grew by A$556 million, or 12.5%. This was driven by an increase in premises activated (8.5 million premises activated at 30 June 2022 compared to 8.2 million premises activated at 30 June 2021) and an increase in residential ARPU from A$45 per month in FY21 to A$46 per month in FY22. The increase in residential ARPU primarily reflects increased uptake of higher speed tiers, which has grown significantly in recent years. As at 30 June 2022, 76% of end users were on plans based on wholesale speed tiers of 50 Mbps or above, and 18% were on plans based on wholesale speed tiers of 100 Mbps or above. The following table sets out a breakdown of our revenue and key operating statistics.

	FY22	FY21	% Change
Premises activated	8.5 million	8.2 million	3.7%
Residential ARPU (A$/month)	46	45	2.2%
ARPU (A$/month)	49	48	2.1%
Revenue comparison (A$ million)			
Telecommunications revenue – Residential	3,984	3,608	10.4%
Telecommunications revenue – Business	1,020	840	21.4%
Telecommunications revenue – Total	**5,004**	**4,448**	**12.5%**
Other revenue	99	181	(45.3)%
Total revenue	**5,103**	**4,629**	**10.2%**

Other revenue of A$99 million decreased by A$82 million, or 45.3%, compared to A$181 million in FY21. Other revenue includes revenue from developers, commercial works activities and the "technology choice" programme, as well as licensing fees. The reduction is primarily due to lower new development fees and a reduction in lease and license fees from Telstra for copper sub-loop and HFC coaxial cable. The Telstra license fee revenue will continue to decline as end users migrate from legacy Telstra networks onto the NBN fixed-line network.

Other income

Other operating income was A$43 million in FY22, compared to A$nil in FY21. In FY22, this income represents a number of small individual grants and the recognition of A$33 million income from the Department of Communications on behalf of government under the Regional Broadband Scheme. See "Regulation —

Universal Service Guarantee (USG) and consumer protection policy framework— Regional Broadband Scheme" for more information on the Regional Broadband Scheme.

Other non-operating income was A$30 million in FY22, compared to A$24 million in FY21. This represents the release of deferred gains related to gifted assets.

Operating expenses

Our operating expenses in FY22 were A$1,857 million, a decrease of A$191 million, or 9.3%, compared to A$2,048 million in FY21. This decrease was the result of a decrease in employee benefits expenses and other operating expenses, partially offset by an increase in direct network costs.

Direct network costs were A$730 million in FY22, an increase of A$64 million, or 9.6%, compared with A$666 million in FY21. The growth in direct network costs reflected higher service assurance and maintenance costs as a result of the expansion of the network footprint and the increase in the number of end users connected to the network, as well as the impact of adverse weather events during FY22.

Employee benefits expenses decreased by A$182 million, or 22.0%, from A$829 million in FY21 to A$647 million in FY22 due to the decline in the number of company employees. Following the completion of the initial build in June 2020, both the size and shape of the organisation was restructured as we transitioned from being predominantly an infrastructure build company to a wholesale operating company. Coupled with our continued focus on maximising cost efficiencies through simplification and digitisation of internal operations, the number of full-time equivalent staff has fallen from approximately 5,900 at the beginning of FY21 to approximately 4,656 as at 30 June 2022.

Other operating expenses decreased by A$73 million, or 13.2%, from A$553 million in FY21 to A$480 million in FY22. These expenses continued to decline as a result of our ongoing focus on cost efficiency. These costs cover a range of activities but are primarily associated with IT and software applications, outsourced business operations, strategic consulting, legal and regulatory services, communication and public information provision, commercial properties, and other indirect employee-related expenditure.

Subscriber costs

Subscriber costs were A$175 million in FY22, a decrease of A$1,051 million, or 85.7%, compared to A$1,226 million in FY21. As anticipated, subscriber costs have fallen sharply now that volume roll-out of the network has been completed and new activations of Telstra and Optus customers have slowed. We anticipate that we will cease paying subscriber costs in FY23.

Depreciation and amortisation

Depreciation and amortisation expense was A$3,541 million in FY22, a decrease of A$55 million, or 1.5%, compared to A$3,596 million in FY21. The marginal decrease is due to the impact of extending the useful lives of Telstra leased assets to align with the full duration of the lease and the recognition of accelerated amortisation recognised for legacy software assets in FY21 that are now planned for decommissioning in the near future. These reductions are partially offset by the impacts of increased depreciation and amortisation due to the growth in network assets.

Net finance costs

Net finance costs were A$1,470 million in FY22, a decrease of A$151 million, or 9.3%, compared to A$1,621 million in FY21. Our borrowings totalled A$24,579 million at 30 June 2022, compared to A$23,818 million, at 30 June 2021. The reduction in net finance costs, despite our increased borrowings, reflects that we have replaced a portion of our Australian government loan with lower cost private debt. The nominal weighted average cost of issued and drawn debt at 30 June 2022 was 2.55%, compared to 2.79% at 30 June 2021.

Income tax

Income tax benefit was A$399 million in FY22, compared to A$1 million in FY21. The income tax benefit in each period represents the recognition of deferred tax on the fair value movements in our derivatives.

Liquidity and capital resources

Overview

Prior to April 2020, our operations and capital expenditures were primarily financed by equity and debt contributions from the Australian government. In June 2011, we entered into an Equity Funding Agreement with the Australian government under which the government committed to provide A$27.5 billion of equity capital. The equity funding capital limit was increased to A$30.4 billion in August 2012 then decreased to A$29.5 billion in March 2014. We completed drawing down the full A$29.5 billion in September 2017. In October 2022, the Australian government announced that it would invest a further A$2.4 billion of equity by 30 June 2026 to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. In June 2023, we received the first instalment of A$305 million of this equity funding from the Australian government.

In December 2016, we entered into a Facility Agreement with the Australian government under which the government agreed to provide us with debt funding of A$19.5 billion. The Facility Agreement was initially due to expire on 30 June 2021, however it was subsequently extended to 30 June 2024. We completed drawing down the full A$19.5 billion in 2020.

In April 2020, we began to raise long-term debt funding from private sources, principally bank facilities and debt capital markets issuances. In April 2020, we entered into A$6,100 million of bank credit facilities (subsequently reduced to A$6,050 million), our first debt facilities sourced from the institutional bank loan market. During FY23, we increased the total bank facilities (not including the overdraft facility) to A$11,150 million. As at 30 June 2023, we had drawn down A$4,646 million of this amount.

In addition to these amounts, we also have a A$250 million overdraft facility, which was undrawn as at 30 June 2023.

In July 2022, we established a A$2 billion promissory note programme, rated P-1 by Moody's and F1+ by Fitch. As at 30 June 2023, we have issued A$2.0 billion of short-term promissory notes under our promissory note programme.

We undertook our first debt capital markets issuances in December 2020 and between then and 30 June 2023, we have issued:

- A$4,375 million in Australian dollar medium-term notes under our AMTN programme;
- USD4,000 million of Rule 144A/Regulation S notes issued under our GMTN programme;
- EUR1,350 million of euro medium-term notes issued under our GMTN programme; and
- The equivalent of A$1,825 million of private placements in a variety of currencies issued under our GMTN programme.

From FY21 to FY23, we used A$14.0 billion of the proceeds of our bank facilities and debt capital markets issuances to repay a portion of our loan from the Australian government, reducing the balance to A$5.5 billion at 30 June 2023.

Since 30 June 2023, we have issued the equivalent of A$343 million of private placements in a variety of currencies under our GMTN programme and A$850 million of green bonds under our AMTN programme. We have repaid a further A$946 million of our bank facilities as at the date of the offering circular.

Our primary requirement for cash has been, and will continue to be, to fund the development and upgrade of the NBN.

Although we completed the initial build phase of the network in June 2020 and we have largely transitioned to being primarily an operator and service provider rather than constructor, we will still require substantial amounts of cash to maintain and upgrade our network as well as to continue to add to the network to service new developments, expand the fixed-line network to service areas currently served by other technologies and to complete connections to the remaining constrained premises. We are currently undertaking an extensive upgrade program to make higher speed tiers available to more end users, including by increasing the FTTP footprint, and upgrading our fixed wireless and satellite services.

A significant portion of our ongoing network costs consists of our payments to Telstra for the use of Telstra–owned infrastructure. These payments are adjusted for inflation annually. We account for our rights to use Telstra infrastructure as finance leases. As at 30 June 2023, our total undiscounted outstanding lease obligations were A$25.6 billion, of which A$1.4 billion was due within one year and A$4.4 billion was due between one and five years. The remainder is due between 2028 and 2047. See "Business — Telstra relationship" and Note F1 to our FY23 financial statements for more information.

We have also used cash to fund our operations. Since FY21, following the completion of the initial build phase, our cash receipts from customers have exceeded payments to suppliers (including subscriber costs) and employees. Net cash provided by operating activities in FY23 and FY22 was A$3.3 billion and A$3.4 billion, respectively.

To date, we have not paid dividends to our shareholder, the Australian government.

Cash flows

The financial information included below is derived from our financial statements incorporated by reference herein.

Comparison of cash flows for FY23 to FY22

	FY23	FY22
	(A$ million)	
Cash flows from operating activities		
Receipts from customers	5,856	5,650
Payments to suppliers and employees	(2,555)	(2,829)
Government grants received	38	547
Interest received	2	1
Net cash provided by operating activities	**3,341**	**3,369**
Cash flows from investing activities		
Payments for property, plant and equipment	(2,685)	(2,308)
Payments for intangible assets	(315)	(310)
Net cash used in investing activities	**(3,000)**	**(2,618)**
Cash flows from financing activities		
Principal repayment of lease liabilities	(211)	(186)
Interest paid on lease liabilities	(877)	(838)
Proceeds from borrowings (net of costs)	15,110	9,981
Repayment of borrowings and other financial liabilities	(13,172)	(2,231)
Repayment of related party borrowings	(875)	(6,825)
Interest paid on borrowings and other financial liabilities	(469)	(204)
Interest paid on related party borrowings	(224)	(336)
Equity injection for ordinary shares by the Commonwealth of Australia	305	—
Net cash used in financing activities	**(413)**	**(639)**
Net increase/(decrease) in cash and cash equivalents[(1)]	**(72)**	**112**
Cash and cash equivalents at the beginning of the year[(1)]	**113**	**1**
Cash and cash equivalents at the end of the year[(1)]	**41**	**113**

Notes:
(1) Cash and cash equivalents are net of bank overdrafts.

Cash flows from operating activities

Our net cash flows provided by operating activities were A$3,341 million in FY23, compared to net cash flows provided by operating activities of A$3,369 million in FY22. This reflected a 93.1% decline in government grants received from A$547 million in FY22 to A$38 million in FY23, partially offset by a growth in receipts from customers, which increased 3.6% from a cash inflow of A$5,650 million for FY22 to a cash inflow of A$5,856 million for FY23, and a 9.7% decrease in payments to suppliers from A$2,829 million in FY22 to A$2,555 million in FY23. Payments to suppliers included A$402 million of subscriber costs in FY22 compared to A$93 million in FY23.

Cash flows from investing activities

Net cash outflows from investing activities increased by A$382 million, or 14.6%, from A$2,618 million for FY22 to A$3,000 million for FY23. This increase was primarily due to an increase in payments for property, plant and equipment (cash outflows of A$2,685 million for FY23 compared to A$2,308 million for FY22), as well as a slight increase in payments for intangible assets (cash outflows of A$315 million for FY23 compared to A$310 million for FY22).

Cash flows from financing activities

Net cash outflows from financing activities were A$413 million for FY23, compared to net cash outflows of A$639 million for FY22. This decrease was primarily due to an increase in proceeds from borrowings (net of costs) (A$15,110 million for FY23 compared to A$9,981 million for FY22), an equity injection of ordinary shares (A$305 million for FY23 compared to A$nil in FY22) and a decrease in repayment of related party borrowings (A$875 million repaid in FY23 compared to A$6,825 million repaid in FY22), partially offset by a substantial increase in the repayment of borrowings and other financial liabilities (A$13,172 million repaid in FY23 compared to A$2,231 million repaid in FY22).

Comparison of cash flows for FY22 to FY21

	FY22	FY21
	(A$ million)	
Cash flows from operating activities		
Receipts from customers	5,650	5,076
Payments to suppliers and employees	(2,829)	(3,847)
Government grants received	547	4
Interest received	1	1
Net cash provided by operating activities	**3,369**	**1,234**
Cash flows from investing activities		
Payments for property, plant and equipment	(2,308)	(2,883)
Payments for intangible assets	(310)	(257)
Net cash used in investing activities	**(2,618)**	**(3,140)**
Cash flows from financing activities		
Principal repayment of lease liabilities	(186)	(169)
Interest paid on lease liabilities	(838)	(743)
Proceeds from borrowings (net of costs)	9,981	10,943
Repayment of borrowings and other financial liabilities	(2,231)	(1,460)
Proceeds from related party borrowings	—	42
Repayment of related party borrowings	(6,825)	(6,300)
Interest paid on borrowings and other financial liabilities	(204)	(59)
Interest paid on related party borrowings	(336)	(691)
Net cash (used in)/provided by financing activities	**(639)**	**1,563**
Net increase/(decrease) in cash and cash equivalents[(1)]	**112**	**(343)**
Cash and cash equivalents at the beginning of the year	**1**	**344**
Cash and cash equivalents at the end of the year[(1)]	**113**	**1**

Notes:

(1) Cash and cash equivalents include A$94 million held by us in FY22 (FY21: A$nil) which is subject to contractual restrictions and not available for general use.

Cash flows from operating activities

Our net cash flows provided by operating activities were A$3,369 million in FY22, compared to net cash flows provided by operating activities of A$1,234 million for FY21. This reflected a growth in receipts from customers, which increased 11.3% from a cash inflow of A$5,076 million for FY21 to a cash inflow of A$5,650 million for FY22, a 26.5% decrease in payments to suppliers from A$3,847 million in FY21 to A$2,829 million in FY22, and a substantial increase in government grants received, primarily via a A$480 million grant from the Australian government to provide access to faster wholesale speeds for regional Australia. Payments for subscriber costs decreased from A$1,533 million in FY21 to A$402 million in FY22. Excluding subscriber costs, net cash inflows from operating activities increased by A$1,004 million, or 36.3%, from A$2,767 million for FY21 to A$3,771 million for FY22. The effect of subscriber costs for FY22 and FY21 is set out in the table below.

	FY22	FY21
	(A$ million)	
Cash flows from operating activities		
Net cash flows provided by operating activities	3,369	1,234
Payments for subscriber costs (excluding GST)	402	1,533
Net cash flows from operating activities excluding subscriber costs	**3,771**	**2,767**

Cash flows from investing activities

Net cash outflows from investing activities decreased by A$522 million, or 16.6%, from A$3,140 million for FY21 to A$2,618 million for FY22. This decrease was primarily due to a decrease in payments for property, plant and equipment (cash outflows of A$2,308 million for FY22 compared to A$2,883 million for FY21) following the completion of the initial build phase, partially offset by an increase in payments for intangible assets (cash outflows of A$310 million for FY22 compared to A$257 million for FY21).

Cash flows from financing activities

Net cash outflows from financing activities were A$639 million for FY22, compared to net cash inflows of A$1,563 million for FY21. This decrease was primarily due to higher repayments of our Australian government loan (A$6,825 million repaid in FY22 compared to A$6,300 million repaid in FY21), higher repayments of other borrowings and financial liabilities (A$2,231 million repaid in FY22 compared to A$1,460 million repaid in FY21) and lower proceeds from borrowings (net of costs) (A$9,981 million for FY22 compared to A$10,943 million for FY21).

Debt and treasury policies

The following table sets out our outstanding debt instruments as at 30 June 2023.

	As at 30 June 2023 Amount outstanding
	(A$ million)
Australian government loan	5,500
Bank credit facilities[(1)]	4,646
Promissory notes	1,998
Medium Term Notes	13,679
Total outstanding debt instruments utilised	25,823

Note:

(1) We also have A$6,504 million available but undrawn under our committed bank credit facilities. Bank credit facilities do not include our overdraft facility.

Interest on our loan from the Australian government is fixed at 3.96% per annum. Our bank credit facilities and promissory notes are floating rate instruments with the interest calculated by reference to a margin over an Australian interbank interest rate. Other than A$425 million of floating rate notes due September 2024 issued under the AMTN programme, the notes under the AMTN and GMTN programmes are fixed rate instruments.

We have adopted treasury policies that are designed to ensure that we effectively manage funding and liquidity risks and maintain credit metrics that are consistent with an investment grade issuer credit profile in accordance with rating agencies' guidelines for government business enterprises. Our funding policies include targeting a minimum weighted average tenor of four years for our outstanding debt, limiting debt maturing

within the next 12 months to 10% of our total (non-finance lease) debt, and limiting exposure to any single lender to 20% of our total (non-finance lease) debt (excluding the Australian government loan). We aim to maintain a minimum liquidity buffer of A$250 million at all times and target a three month forward-looking minimum liquidity buffer of A$500 million. We target a liquidity ratio (available sources of cash to forecast cash requirements) of at least 1.0 times on a 12 month forward-looking basis.

See "—Quantitative and qualitative disclosure about market risk" for details of our interest rate and foreign currency hedging and net exposures.

We monitor a range of credit metrics, including funds from operations to total debt, total debt to EBITDA before subscriber costs and EBITDA before subscriber costs to interest expense.

	FY23	FY22	FY21
Funds from operations to total debt[1] [2]	5.4%	5.4%	3.1%
Total debt to EBITDA before subscriber costs[2]	10.4x	10.8x	13.4x
EBITDA before subscriber costs to interest expense[3]	2.2x	2.2x	1.6x

Notes:
(1) Funds from operations is calculated as EBITDA before subscriber costs, less interest paid on related party borrowings, borrowings and other financial liabilities, and interest paid on lease liabilities
(2) Total debt includes total borrowings, other financial liabilities and lease liabilities
(3) Interest expense is calculated as net finance costs

Capital expenditure

We invest substantial amounts of capital expenditure to build and maintain our network. The following table shows our total capital expenditure for FY23, FY22, FY21, FY20 and FY19. Over this period, the vast majority of our capital expenditure was used to build our network. With the initial build phase completed, we expect that short-term capital expenditure will be focused on the next phase of network upgrades, including a series of network upgrades designed to make our highest residential speed tier available to more of our fixed-line network and an A$750 million investment in the fixed wireless network, described under "Operating and Financial Review — Description of NBN Co". We expect that in future accounting periods, the proportion of our total capital expenditure used to maintain our network will grow and we anticipate that we will report on the split between maintenance and growth capital expenditure as it becomes more meaningful.

	FY23	FY22	FY21	FY20	FY19
			(A$ million)		
Total capital expenditure[1]	3,044	2,495	2,764	5,038	5,905

Notes:
(1) Capital expenditure does not include additions of leased assets, gifted assets and items of property, plant and equipment classified as inventories.

In FY23, we continued to invest in our customer base and the ongoing evolution of our network, with capital expenditure totalling A$3,044 million. Capital expenditure incurred during FY23 focused on the following key areas: delivering fibre upgrades from FTTN and FTTC to provide more customers with access to our fastest speed tiers; expanding the network to newly developed premises and deploying new fibre infrastructure in support of dedicated fibre services for our flagship fibre access product for businesses ("Enterprise Ethernet"); upgrading capacity across HFC and Transit architecture to cater for growing customer data demands; connecting and re-connecting customers onto our network and providing capital maintenance to assure the network; continuing to invest in software development and simplification, network resilience and security capabilities to ensure delivery of efficient and secure operations; and delivering fixed wireless and satellite upgrade investments to provide greater speed and capacity to customers.

In FY22, we invested A$2,495 million in capital expenditure in our customer base and the ongoing evolution of our network, focused on five main areas: executing our network upgrade investment plan to deliver fibre deeper into communities and provide more end users with access to our fastest wholesale speed plans; connecting new end users to our network and expanding the network to newly developed premises; upgrading capacity across the network to cater for increasing end user data demands; deploying fibre infrastructure in support of Enterprise Ethernet products to grow our business end user base and business-grade service offerings; and investing in software development and simplification, network resilience and security capabilities to ensure delivery of efficient and secure operations.

In FY21, we invested A$2,764 million in capital expenditure to continue to invest in connecting end users, upgrading the network and transforming our business. This included build costs for adding an additional 230,000 ready to connect premises and connecting over 933,000 new premises to the network. In addition, we continued to make significant investments in customer experience initiatives to raise the quality and performance of the network, including capacity upgrades across the network to cater for growing data demand, which accelerated as a result of COVID-19 restrictions and various lockdowns. We made progress on the A$4.5 billion network investment initiatives that we announced in September 2020, commencing work to deploy fibre deeper into communities currently served by the FTTN and FTTC networks and upgrading work on the HFC network to enable more end users to access our higher wholesale broadband speed plans. As at 30 June 2021, 36% of fixed-line premises were available for higher speed tier orders and we had identified the first 1.1 million premises in the FTTN network to undergo local fibre network enhancements.

Working capital

Historically, we have operated with a negative working capital balance, that is, our current liabilities have exceeded our current assets. The following table shows our working capital balance as at 30 June 2023, 2022 and 2021.

	As at 30 June		
	2023	**2022**	**2021**
		(A$ million)	
Current assets	763	763	529
Current liabilities	9,978	2,393	2,377
Net working capital	**(9,215)**	**(1,630)**	**(1,848)**

The negative working capital balance has principally reflected the difference in payment terms we require of our retail service provider customers (generally, 30 days) and the longer payment terms we receive from Telstra on our infrastructure lease and subscriber payments and certain contractors that we have engaged to build and maintain the network. Additionally, given the predictability of our cash flows, we have generally maintained low levels of cash reserves in order to avoid incurring unnecessary interest. As such, the working capital balance has effectively served as a source of short-term funding for our business. As our payments to contractors reduce with the completion of the initial build phase of the network and our subscriber payments to Telstra decline, we anticipate that this balance will further reduce. The increase in current liabilities in FY23 reflects the outstanding A$5.5 billion drawn down from the loan facility with the Australian government, which matures on 30 June 2024, becoming a current liability, as well as our issuance of short-term promissory notes, of which A$1,998 million principal amount was outstanding as at 30 June 2023.

Contingencies

Contingent assets and contingent liabilities are not recognised in our statement of financial position but are reported in Note H2 to our financial statements for FY23. Contingencies may arise from uncertainty as to the existence of an asset or liability or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain. Contingent liabilities are disclosed when the likelihood of settlement is greater than remote but not probable. The details of our significant contingent assets and liabilities are set out below.

Telstra Definitive Agreements

Under our Definitive Agreements with Telstra, we have a right to undertake copper, HFC and associated passive infrastructure pre-construction and construction works on Telstra's networks pre-asset transfer. We have indemnified Telstra against any loss or claim for death, personal injury or damage as well as contractual liabilities of Telstra to its customers arising as a result of our undertaking such works on Telstra's networks pre-asset transfer. To the extent that claims or damages could be reliably measured, we have made allowance for these liabilities at the reporting date. Following the completion of the rollout, any residual contingent liabilities associated with this are considered immaterial.

Legal action

As at 30 June 2023, we have no outstanding legal action that would materially impact our financial statements for FY23. However, from time to time, we may be subject to lawsuits or proceedings that may

require us, either by law or based on our business judgement, to make payments to settle or otherwise resolve matters.

Contractual-related claims and disputes

Various claims and disputes arise from time to time in the ordinary course of business. Where the resolution, if any, cannot be measured with sufficient reliability, no asset or liability for these claims or disputes is recognised.

To the extent a resolution for claims or disputes is probable and can be reliably measured, and, in the case of an asset, the resolution is virtually certain, we have recognised the liability as at 30 June 2023.

Off-balance sheet arrangements

Other than as described below under ‘‘—Contractual obligations and other commitments’’, we have no material off-balance sheet contractual obligations or other commitments.

Contractual obligations and other commitments

Total capital expenditure contracted for as at 30 June 2023 of A$595 million but not recognised in our statement of financial position is reported in Note F3 to our financial statements for FY23. Capital commitments include committed right-of-use and infrastructure ownership payments under the Definitive Agreements with Telstra, fixed term commercial contracts and other ordered capital expenditure.

Given the long-term nature of our capital commitments under the Definitive Agreements, which include right-of-use payments that will occur until 2047 and scheduled infrastructure ownership payments throughout the rollout period, Note F3 presents discounted values of the capital expenditure commitments relating to the Definitive Agreements.

Payments to Telstra in exchange for Telstra disconnecting premises from its copper and HFC networks are not included in our capital commitment calculations because these payments do not constitute capital expenditure.

Quantitative and qualitative disclosure about market risk

Our activities expose us to a variety of financial and market risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk. Our risk management policy is to identify, assess and manage risks that are likely to adversely affect our financial performance, continued growth and ability to continue as a going concern. We take a risk-averse approach to financial risk management and seek to minimise risk provided it is cost effective to do so.

From time to time, we use derivative financial instruments (such as forward foreign exchange contracts, foreign exchange options, interest rate options, interest rate swaps and cross-currency interest rate swaps) to manage our risk exposure. We only enter into derivatives transactions for the purpose of reducing risk. Our policies do not permit speculative trading. At the inception of a hedging transaction, we document the relationship between the hedging instrument and hedged item as well as the risk management objective and strategy. We also assess, both at hedge inception and on an ongoing basis, whether the derivatives used in hedging transactions have been, and will continue to be, effective in offsetting changes in the cash flows of hedged items.

Foreign exchange risk

We are exposed to foreign exchange risk when current and future transactions and recognised assets and liabilities are denominated in a currency that is not the Australian dollar, our functional and reporting currency. Liabilities denominated in foreign currency include U.S.$4,050 million of medium-term notes denominated in U.S. dollars, NOK3,750 million of medium-term notes denominated in Norwegian kroner, JPY5,500 million of medium-term notes denominated in Japanese yen, EUR1,350 million of medium-term notes denominated in euros, HKD900 million of medium-term notes denominated in Hong Kong dollars and GBP50 million of medium-term notes denominated in UK pounds sterling under our GMTN programme as at

30 June 2023. In addition, we operate U.S. dollar and euro denominated bank accounts, which expose us to fluctuations in the U.S. dollar and euro. U.S. dollar and euro bank accounts are mainly used to facilitate payments associated with purchase of equipment, software and services from suppliers denominated in foreign currency. We also operate GBP, NOK and JPY bank accounts, which we use mainly to facilitate payments related to our debt instruments.

We enter into derivatives contracts to hedge some of our exposure to foreign exchange risk. Our strategy is to fully hedge all material contractually certain foreign currency exposures and to hedge highly probable material foreign exchange exposures on a sliding scale dependent upon the period of time until expected settlement. Following our strategy, we have entered into forward exchange contracts to purchase U.S. dollars and executed foreign exchange options to protect against adverse movements in the U.S. dollar. We have not entered into foreign currency positions that are not supported by underlying purchasing transactions that are certain or highly probable as to timing, quantum and currency.

The following tables summarise the carrying amount of monetary liabilities denominated in foreign currencies and notional cash outflows, expressed in Australian dollar equivalents of our U.S. dollar, euro, Norwegian krone, Japanese yen, Hong Kong dollar and UK pound sterling exposures as at 30 June 2023 and 2022.

	As at 30 June 2023					
	USD	**Euro**	**NOK**	**JPY**	**HKD**	**GBP**
			(A$ million)			
Foreign exchange risk						
Trade payables	20	—	—	—	—	—
Borrowings	5,355	2,253	525	57	169	95
Current foreign exchange risk	**5,375**	**2,253**	**525**	**57**	**169**	**95**
Derivatives						
Foreign exchange options	31	—	—	—	—	—
Foreign exchange contracts	89	—	—	—	—	—
Cross-currency interest rate swaps	5,416	2,132	583	61	171	93
Total derivatives hedging foreign exchange risk	**5,536**	**2,132**	**583**	**61**	**171**	**93**

	As at 30 June 2022					
	USD	**Euro**	**NOK**	**JPY**	**HKD**	**GBP**
			(A$ million)			
Foreign exchange risk						
Trade payables	43	—	—	—	—	—
Borrowings	5,326	—	557	58	—	—
Current foreign exchange risk	**5,369**	**—**	**557**	**58**	—	—
Derivatives						
Foreign exchange options	—	—	—	—	—	—
Foreign exchange contracts	118	—	—	—	—	—
Cross-currency interest rate swaps	5,416	—	583	61	—	—
Total derivatives hedging foreign exchange risk	**5,534**	—	**583**	61	—	—

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or borrowing will fluctuate because of changes in market interest rates. We are exposed to cash flow interest rate risk due to changes in market interest rates associated with interest-bearing cash and cash equivalents and floating rate borrowings. Interest on financial instruments or borrowings classified as floating rate is repriced at

intervals of less than one year. Interest on financial instruments or borrowings classified as fixed rate is fixed until maturity of the instrument, which exposes us to fair value interest rate risk. Our exposure to interest rate risks and the weighted average effective interest rates of interest-bearing financial assets is set out in Note G to our financial statements for FY23.

We manage our exposure to interest rate risk in relation to our borrowings by entering into cross currency interest rate swaps and interest rate swaps and options that either swap cash flow interest rate risk of floating rate borrowings to fixed rates, or fair value interest rate risk of fixed rate borrowings to floating rates. As at 30 June 2023, we had a notional floating debt portfolio of A$7.1 billion and a notional A$8.8 billion of debt hedged using interest rate swaps that swap the fixed rate to a floating rate, with a notional A$13.7 billion hedged using interest rate swaps that swap the floating rate for a fixed rate and resulting in a net exposure to floating rate risk of A$2.1 billion. As at 30 June 2023, the proportion of our total outstanding debt instruments utilised exposed to floating rates was 8.1%, taking interest rate hedging into account.

The interest rate applicable to our loan facility with the Australian government is fixed for the term of the facility. Accordingly, we consider that there is no cash flow interest rate risk associated with the facility.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss. Counterparty exposure is measured as the total value of the exposures to all the obligations of any single legal or economic entity. We are exposed to the credit of counterparties, such as retail service providers, through transactions in the ordinary course of business. We are also exposed to credit risk from cash and cash equivalents and the net favourable position of derivative financial instruments. We manage counterparty risk on a group basis.

We assess the credit quality of financial assets by reference to external credit ratings, if available, or to historical information about counterparty default rates. Our maximum exposure to credit risk at the end of a reporting period is the carrying amount of the financial asset as recorded in the statement of financial position. As at 30 June 2023, we do not have any material receivables that are past due or impaired.

The table below summarises our credit exposure as at 30 June 2023 and 2022.

	30 June 2023	30 June 2022
	(A$ million)	
Trade receivables		
Counterparties with an external credit rating		
AAA	5	7
A-	261	259
BB-	—	3
Counterparties without an external credit rating		
New customers (< 6 months)	5	3
Existing customers (> 6 months) with no defaults in the past	208	189
Existing customers (> 6 months) with remediated defaults	8	6
Total trade receivables	**487**	**467**
Cash at bank and short-term bank deposits		
AA-	41	113
Total cash at bank and short-term bank deposits	**41**	**113**
Derivative financial assets		
AA-	623	485
A+	698	594
A	277	278
A-	34	48
BBB	3	—
Total derivative financial assets	**1,635**	**1,405**

Liquidity risk

Liquidity risk refers to the risk of encountering difficulties in meeting obligations associated with financial liabilities. Liquidity risk management aims to ensure that sufficient funds are available to meet financial commitments in a timely manner and to plan for unforeseen events that may curtail cash flows and put pressure on liquidity.

Our financial liabilities are trade and other payments, finance lease liabilities, and borrowings. We measure and manage liquidity risk by forecasting liquidity and funding requirements for the next four years, as a minimum. Our forecasts and liquidity risk management strategy are reviewed annually by the board as part of our corporate plan. We also prepare and review a rolling monthly cash forecast.

See Note G to our financial statements for FY23 for a table illustrating the maturities for our liabilities and derivatives as at 30 June 2023.

Critical accounting policies and estimates

In preparing our financial statements for FY23, FY22 and FY21, management has made a number of judgements and has applied estimates and assumptions to future events. In determining significant accounting estimates and judgements, we have considered changes in economic circumstances, climate change impacts, regulatory changes, government policies, business plans and strategies, expected level of usage, and future technological developments impacting specific assets or groups of assets.

Estimates and judgements which are material or have the potential to be material to our financial statements for FY23 include:

- Determination of useful lives of property, plant and equipment — see Note C3 to our financial statements for FY23;
- Determination of useful lives of intangible assets — see Note C4 to our financial statements for FY23;
- Assessment of indicators of impairment — see Note C5 to our financial statements for FY23;
- Determination of whether a contract contains a lease— see Note C8 to our financial statements for FY23;
- Determination of the net present value of a lease — see Note C8 to our financial statements for FY23;
- Determination of lease term — see Note C8 to our financial statements for FY23; and
- Determination of the fair value of derivate assets and liabilities — see Note G to our financial statements for FY23.

You should also refer to Note H5 to our financial statements for FY23 for a summary of our other significant accounting policies.

INDUSTRY OVERVIEW

Overview

NBN Co provides wholesale broadband infrastructure on open access terms to support the delivery of internet services across Australia.

The Australian telecommunications industry has undergone multiple stages of reform since the Postmaster-General's department was established by the Australian government in the early 1900s for the administration of postal and voice communication. In 1975, Telecom Australia, later known as Telstra, was established by statute in response to increasing consumer demand for telecommunications services.

In the late 1980s, the telecommunications industry was opened to private sector competition. Various market participants emerged to deploy network infrastructure and provide retail services, offering greater choice for end users. Telstra's privatisation began in 1997 and was completed in 2011.

The arrival of ADSL in 2000 and ADSL 2+ in 2005 led to infrastructure upgrades and improved service coverage in metropolitan areas. Telecommunications investment in regional and remote Australia, however, was limited. Despite introducing government-funded programmes in support of regional, remote and blackspot areas, the Australian government still had various concerns, including lack of competition and disparity between regional and metropolitan telecommunications access.

In response, in 2009, the Australian government announced the construction of a wholesale-only, open access national broadband network across Australia. NBN Co was established as a government business enterprise to build and operate the network. The government's central objective for the network was to address Australia's lack of high speed broadband and provide network access on an equitable basis to all Australians (especially those in regional and remote areas) through fibre, fixed wireless and satellite technology. The network was also intended to be a vehicle for market reform that would promote competition in the retail telecommunications market.

Construction of the broadband network commenced in early 2010. Following a change in government at the 2013 Australian federal election, the design of the NBN was changed to a "multi-technology mix". Under this model, instead of FTTP connections only, the NBN fixed-line network would include FTTN, FTTB, FTTC and HFC connections to make use of existing HFC and copper wiring. See "Business — History" for further information.

In 2011, NBN Co entered into commercial agreements with Telstra and Optus to facilitate the migration of most of their residential fixed-line customers to the NBN fixed-line network as it became ready for service. These agreements helped to separate wholesale and retail internet services, addressing the government's prior concerns regarding lack of competition arising from Telstra's integration across fixed-line networks. Over the past decade, the majority of broadband services previously provided using Telstra's legacy copper and HFC networks within NBN Co's fixed-line footprint have been progressively disconnected. Many of these end users now receive broadband provided using the NBN through retail service providers around Australia.[1] A few alternative fixed-line network operators compete with NBN Co at the wholesale level, mainly in greenfield developments and the business segment.

Broadband delivery in Australia

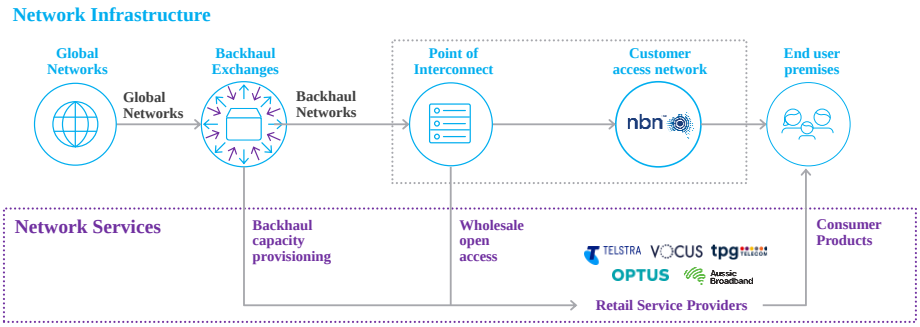
Australia has a land mass of 7.7 million square kilometres and one of the lowest population densities globally, with an average population of 3.4 people per square kilometre and a regional population residing outside of capital cities of approximately 8.6 million people[2] as at 30 June 2022.

To connect to the internet, premises in Australia must access three distinct networks: the global network, the backhaul network, and the customer access network. Global networks connect servers hosted around the world to land-based stations in Australia. Backhaul networks connect global networks to localised

1 Not all retail service providers purchase wholesale broadband services directly from NBN Co and may acquire these services from resellers (that is, other retail service providers)

2 ABS Regional Population (reference period 2022) and National, state and territory population (reference period June 2022).

points of interconnect. Global networks and backhaul networks are typically owned by communications infrastructure companies and telecommunications companies, which charge tariffs to wholesale access seekers. Customer access networks connect a local point of interconnect to an end user's premises. The NBN is Australia's largest fixed-line customer access network and connected more than 8.5 million premises as at 30 June 2023.



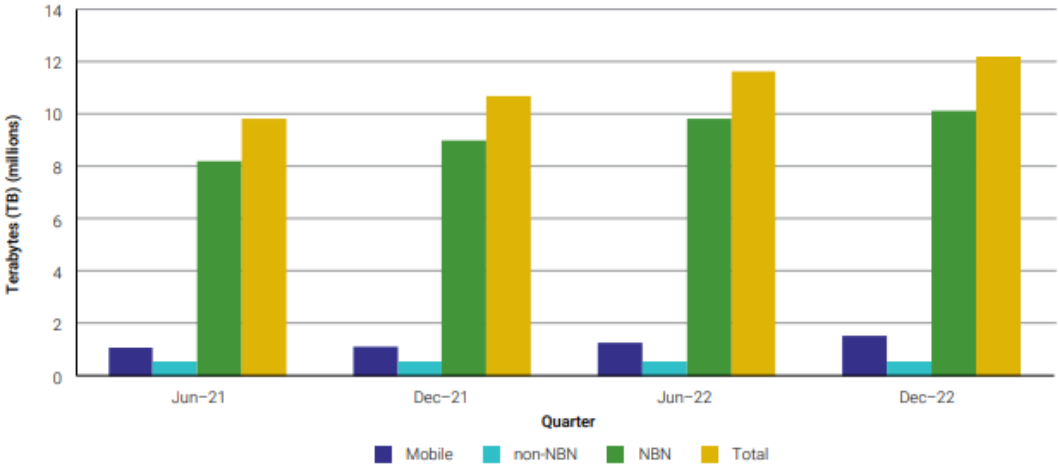
Australia has a long-standing regulatory framework to ensure end users have universal access to telecommunications and consumer protection. This regulatory framework is subject to ongoing reform to promote competition and improve access to broadband services, particularly in regional, rural and remote Australia. See "Regulation" for further information.

The Australian broadband market

According to the ACCC, 12.2 million terabytes of data were downloaded across retail broadband internet and mobile services in the three months from 1 October 2022 to 31 December 2022, with 83% downloaded via NBN services, 13% via mobile services and 4% via non-NBN fixed-line services.[3]

The total volume of data downloaded over the NBN increased from 9.0 million terabytes in the quarter ended December 2021 to 10.1 million terabytes in the quarter ended December 2022, an increase of 13%. The total volume of data downloaded over non-NBN fixed-line services remained steady across 2022 at just over 0.5 million terabytes per quarter as consumers complete their migration to the NBN network. The total volume of data downloaded over mobile networks also increased from 1.1 million terabytes in the quarter ended December 2021 to 1.5 million terabytes in the quarter ended December 2022, an increase of 37%.

The total volume of data downloaded via retail NBN services, retail non-NBN fixed-line services and mobile services across each quarter from June 2021 to December 2022 is presented in the chart below.[4]



3 ACCC Internet activity report for the period ending 31 December 2022, published June 2023
4 Chart extracted from ACCC Internet activity report for the period ending December 2022, published June 2023

The residential market and business market

The Australian broadband market can be broadly divided into a residential market and a business market. Network infrastructure providers and retail service providers offer different products for each market segment to address their different requirements.

Residential market

The residential market comprises end users in residential premises, which generally connect via a general purpose connection. These premises can include a single dwelling unit or a multi dwelling unit. A single dwelling unit is typically a building with single premises including free standing and terrace housing or a building with two premises on one lot such as a duplex, while a multi dwelling unit is typically a building with three or more separate premises, or any form of strata, group, company or community title development.

The ABS projects that the number of occupied households has grown from approximately 8.4 million to 10.1 million over the past ten years to 2021.[5]

The average cost of NBN services is estimated to be 1.1% of average post-tax weekly household income. After equating the cost of broadband across each country and taking into account each country's relative capacity to pay for broadband, consulting firm Accenture found that Australia ranked 6th among 13 comparable OECD countries for broadband affordability.[6]

56% of end users surveyed by Accenture in September 2022 rated the NBN as "highly affordable" or "affordable", which compared favourably to other essential utilities such as electricity and gas.[7] 90% of end users surveyed reported no concerns with the affordability of their NBN service.[8]

In the residential market, demand for new developments is strong, driven by resurgent immigration following the lifting of international border restrictions imposed in response to COVID-19. Various smaller fixed-line providers, such as Gigafy, Lightning Broadband and Smart Urban Properties Australia Limited, have a strategic focus on the new developments market.

Business market

The business market comprises businesses, institutions and enterprises that have a range of broadband requirements from general purpose services to business grade services. General purpose services are offered on peak information transfer rates and are delivered on a best efforts basis. Business grade services can be structured to deliver committed information transfer rates that guarantee download and upload speeds, and can be offered on symmetrical download and upload speeds.

A business grade service may be required for data intensive applications such as cloud computing, remote data storage, virtual private networks, and commercial-level internet-based telephony services. Higher speed broadband may also provide the technological capabilities required to open up new opportunities or support emerging industries.

As at June 2023, there were approximately 2.6 million actively trading businesses in the Australian economy, with a 0.8% increase in the number of businesses from June 2022 to June 2023. During that same period, the number of businesses with 200 or more employees increased by 8.0%.[9]

Broadband access is required for various information and communication technologies used by businesses. During the year ended 30 June 2022, 85% of all Australian businesses reported using information

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5 ABS 3236.0 Household and Family Projections, Australia (2011-2036) and (2016-2041)

6 Accenture, Affordability of services over the nbn network (February 2023). The 13 OECD countries compared were Germany, France, South Korea, Japan, the U.S., Australia, Italy, the United Kingdom, Canada, Spain, New Zealand, Turkey and Mexico.

7 Accenture, Affordability of services over the nbn network (February 2023). 2,306 NBN end users were surveyed. For reference, 39 percent of those surveyed rated electricity as "highly affordable" or "affordable"; 44% of those surveyed rated gas as "highly affordable" or "affordable".

8 Accenture, Affordability of services over the nbn network (February 2023)

9 ABS 8165.0 Counts of Australian Businesses, including Entries and Exits (Reference period July 2019 to June 2023)

and communication technologies, compared to 69% during the year ended 30 June 2020.[10] The most prominent information and communication technologies were cyber security software, cloud technology and digital platforms. The use of paid cloud computing increased with each increase in employment size category, with 85% of businesses employing 200 or more persons reporting to be using this service. During the year ended 30 June 2022, 30% of businesses reported having received online orders and 61% of businesses reported having placed online orders.[11]

The business grade broadband market in Australia is mainly shared by Telstra, Optus, TPG and Vocus, which offer services on a vertically integrated basis. These retail service providers have the ability to construct and sell retail products over dedicated fibre cable connections between an exchange and an end user premises, resulting in more competitively-priced and higher speed business services, particularly in major metropolitan business districts.

NBN Co offers a point-to-point service for small and medium business, enterprise and government users marketed under the name Enterprise Ethernet. Enterprise Ethernet includes a range of enterprise specific infrastructure and services, including dedicated fibre from the premises to the nearest fibre access node, a business grade network termination device, access to high symmetrical speeds, specialised service options and support from a dedicated business operations centre. As at 30 June 2023, NBN Co had created 321 "Business Fibre Zones" across Australia, enabling 1.5 million businesses to access Enterprise Ethernet. As at 30 June 2023, there are more than 25,000 active Enterprise Ethernet services. See "Business — Our products" for further information.

Drivers of demand for broadband

Advances in technology, alongside increasing internet accessibility and affordability, have led to new use cases and more data intensive applications such as high definition content streaming, video conferencing, virtual reality/augmented reality and online gaming. Demand for data is expected to continue to grow across residential and business markets as internet usage continues to integrate into everyday work and entertainment. COVID-19 has accelerated Australia's data consumption needs. Future demand for broadband is expected to be driven by factors such as:

- Increasing use of data intensive applications;
- Increase in time spent online;
- Developments in the "Internet of Things" in the business and residential markets including the adoption of smart household devices;
- Development of immersive technologies such as virtual reality and augmented reality; and
- Increasing reliance on internet-based business applications for operations and data storage.

The rate of development of technology and infrastructure and the accessibility and affordability of higher speed broadband will also shape the outlook of Australia's telecommunications industry.

Mobile and 5G broadband

Wireless broadband services are transmitted through the air by radio waves which are sent and captured by transmitting and receiving devices. The first cellular data networks to emerge in Australia were deployed by Optus, Telstra and Vodafone in the late 1980s and early 1990s.

Historically, mobile broadband networks have evolved in cycles of approximately ten years, with each subsequent generation offering greater speeds of data transmission. Fifth-generation mobile networks, or 5G, use new modulation technology to transmit data at speeds not possible with fourth-generation technology. 5G broadband networks are potentially capable of high headline speeds that are comparable to, or higher than, the

10 ABS Characteristics of Australian Businesses (2021-22 financial year)

11 ABS Characteristics of Australian Businesses (2021-22 financial year). The other factors were lack of skilled persons within the business, uncertainty around cost/benefit, and insufficient knowledge of information and communications technologies.

fastest speeds currently available on the NBN, depending on factors including network configuration, proximity and line-of-sight to a mobile base station, traffic volume and the hardware and software employed at the provider and user ends. See "*Risk factors — We face competition from wireless high speed broadband products and other substitute technologies.*" for further information.

The total volume of data downloaded over mobile networks increased from 1.1 million terabytes in the quarter ended December 2021 to 1.5 million terabytes in the quarter ended December 2022, an increase of 37%..[12]

5G deployment and its limitations

The deployment of 5G services commenced in 2018 when Telstra announced its partnership with Ericsson to construct Australia's first 5G network. As at 30 June 2023, three operators – Telstra, Optus and TPG – operate 5G mobile networks that cover substantial portions of the Australian population, with Telstra announcing that its 5G network will cover 95% of the of the Australian population by FY25. 5G plans are also being offered by various resellers, such as SpinTel, Kogan Mobile, and iiNet.

In December 2021, Optus and Telstra won licences in a government auction of the 850/900 MHz band spectrum. This spectrum can support wireless broadband services across Australia and will allow winning bidders to run both 4G and 5G networks. Licences won at auction will come into force on 1 July 2024 for a 20-year term ending in 2044, but winning bidders may have the opportunity to obtain early access to the spectrum under special circumstances before licences commence. Optus turned on the 900 Mhz band spectrum in February 2023 to extend its 5G coverage.

ACMA will auction spectrum in the 3.4 GHz and 3.7 GHz bands, which are suitable for 5G, in October 2023. This auction will be open to all market participants, including NBN Co, subject to allocation limits. Despite the speed capabilities of 5G and its versatility for on-the-go or regional coverage, mobile networks are unlikely to wholly substitute fixed-line networks.

The current limitations of 5G include:

- *Signal attenuation* – as 5G broadband uses higher frequencies and shorter wavelengths, greater degrees of signal attenuation may result due to wave absorption and scattering. This leads to inconsistent signals or loss of signals, which may be worsened if transmitting across natural or man-made obstructions or when in-home receivers have limited line-of-sight to the signal source;

- *Network density* – as a result of signal attenuation, 5G networks require cellular tower antennas and network extending devices to be positioned closely enough to ensure that high frequency signals are able to reliably propagate to receiving devices. Network operators may be required to invest a significant amount of upfront capital to deploy and maintain infrastructure and to acquire new site locations; and

- *Network contention* – 5G and wireless networks are a shared medium where users sending data concurrently to the same cellular tower or access point contend for service. Simultaneous attempts at transmission will lead to network contention, which reduces efficiency. In order to manage network contention, network operators may be required to limit each user's network usage (for example, by placing data limits, speed caps or overage charges), build denser network infrastructure (for example, by investing in additional backhaul capacity), attain greater spectrum bandwidth, or develop more efficient network sharing protocols.

In light of these limitations, fixed-line networks continue to be key in securing internet connectivity for the majority of data transmission to Australian homes and businesses. A study published by the OECD in July 2019 reported that with network densification and the exponential increase of data traffic, "the core infrastructure of both fixed and mobile networks will continue to be complementary".[13]

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12 ACCC Internet activity report for the period ending 31 December 2022, published June 2023.

13 The Road to 5G Networks, OECD Digital Economy Papers (July 2019), p 18

NBN Co believes that 5G and fixed-line broadband can together work to improve Australia's digital capabilities.

Low Earth orbit satellite

A number of providers have commenced, or intend to commence, offering broadband internet services in Australia using networks of low Earth orbit satellites. Compared to geostationary satellites, such as the satellites we use for our Sky Muster service, low Earth orbit satellite networks are able to deliver internet at higher speeds and lower latencies. These networks will potentially cover substantially all of Australia, however due to their cost and performance characteristics, take-up of these services is likely to be highest in dispersed populations where fixed-line or high quality fixed wireless services are not available due to the cost of deploying the necessary infrastructure.

As of the date of this offering circular, SpaceX Starlink is licensed to provide satellite broadband services across Australia and is currently available to deliver services across most of Australia. SpaceX Starlink states that users can expect to see download speeds of 25-100 Mbps for its residential services, and 40-220 Mbps for its business services. Other emerging operators include OneWeb, Telesat and Amazon's Kuiper. A number of retail service providers, including Telstra and Optus, have announced partnerships with Starlink.

BUSINESS

Overview

Background

NBN Co was established by the Australian government in 2009 to design, build and operate Australia's national wholesale broadband access network, known as the NBN. The NBN is a wholesale-only open access data network that delivers high speed broadband services to households and businesses in metropolitan and regional areas of Australia.

We were established as a government business enterprise to fulfil the national policy objective of lifting Australia's digital capability. To achieve this, we are tasked with ensuring the availability of reliable and affordable high speed internet services across metropolitan and regional Australia, an objective that carries bipartisan government support. As the sole shareholder, the Australian government continues to maintain a high level of engagement in NBN Co's strategic direction, including the periodic release of a Statement of Expectations which outlines the Australian government's broadband policy objectives. For a description of our ownership structure, see "Relationship with the Australian government".

We have historically received significant financial support from the Australian government. Prior to FY23, we received A$29.5 billion of equity and A$19.5 billion of loans to enable us to complete the initial build phase of the network. In October 2022, the Australian government announced that it would invest a further A$2.4 billion of equity to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. In June 2023, we received the first A$305 million of this funding. The Australian government has also provided guarantees on certain external obligations[1]. As a government business enterprise, we maintain significant ongoing engagement with the Australian government and are required to comply with transparency and reporting obligations to our Shareholder Ministers under the Public Governance, Performance and Accountability Act of 2013 (Cth), or PGPA Act. This includes preparing an annual corporate plan that outlines the future strategy of the business as well as providing updates to the Shareholder Ministers on key matters. The close working relationship with the Australian government extends to corporate governance. Each member of NBN Co's board of directors has been appointed by the Australian government.

We remain 100% owned by the Australian government and are subject to specific legislation, the National Broadband Network Companies Act of 2011, which stipulates a defined and prescriptive process for privatisation. These steps include a Productivity Commission inquiry and Parliamentary Joint Committee examination as prerequisites for the potential privatisation of the business.

The current Australian government, which has held office since May 2022, has stated that it will retain NBN Co in public ownership for the foreseeable future.

Our network

We commenced construction of the network in 2010 and completed the initial build phase of the network in June 2020. As at 30 June 2023, the NBN was available to approximately 12.3 million Australian premises, of which more than 8.5 million premises were connected to the NBN. As at 31 December 2022, connections to the NBN accounted for 95% of Australian fixed-line residential broadband connections[2].

Building our network has positioned us as one of the largest Australian companies by total assets (measured in book value). Our national reach and decade-long investment program reinforce our infrastructure-like qualities and high barriers to entry to compete on a similar scale. Our network comprises over 300,000 kilometres of fibre-optic cable, over 2,300 fixed wireless towers and two satellites deployed to provide

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1 The Commonwealth has provided a guarantee to Telstra and Optus for the payments required to be paid by NBN Co to the two parties under the Definitive Agreements with Telstra and the Optus HFC Subscriber Agreement

2 Source: ACCC, Internet activity report for the period ending 31 December 2022. The report draws on data provided by 13 different retail service providers (Aussie Broadband, Australian Private Networks, Dodo, Harbour ISP, iiNet, IP Star Australia, MyRepublic, Primus, Optus, SkyMesh, Telstra, TPG Corporation and TPG Telecom)

broadband internet services over a "multi-technology mix" network. The following table illustrates the technology mix of the NBN as at 30 June 2023.

Technology	% of premises[(1)]
Fibre-to-the-Premises (FTTP)	20
Fibre-to-the-Node (FTTN)	33
Fibre-to-the-Building (FTTB)	5
Fibre-to-the-Curb (FTTC)	12
Hybrid Fibre Coaxial (HFC)	21
Fixed Wireless	6
Sky Muster Satellite	3

Notes:

(1) Percentage of ready to connect premises. A premises is ready to connect when an NBN service order can be placed and the service can be connected within an area that has been declared ready for service.

Together, our fixed-line, fixed wireless and satellite technologies create a network that spans Australia. Our network connects to 121 "points of interconnection" where end user traffic is handed over between the NBN and the networks of our retail service provider customers.

We have been undertaking a series of network upgrades designed to make our highest residential speed tier (that is, "Home Ultrafast" services at peak wholesale download speeds of 500 Mbps to close to 1 Gbps) available to more of our fixed-line network. In October 2022, the Australian government announced that it would invest A$2.4 billion to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. This funding will be provided in the form of equity injections under an Equity Funding Agreement signed in June 2023. In June 2023, we received the first A$305 million under this Agreement. We are also undertaking a A$750 million investment to upgrade services within our fixed wireless and satellite footprint in order to provide faster broadband across regional Australia. The Australian government has contributed a grant of A$480 million towards this investment.

As at 30 June 2023, around 6.9 million premises can order Home Ultrafast services. This comprises 2.4 million premises currently covered by FTTP connections and 2.0 million premises currently covered by FTTN or FTTC connections that can access Home Ultrafast via an FTTP upgrade. Our entire HFC network, covering around 2.5 million premises, can also access Home Ultrafast services. By December 2025, we expect that approximately 90% of premises in the fixed-line footprint will be able to order a Home Ultrafast service.

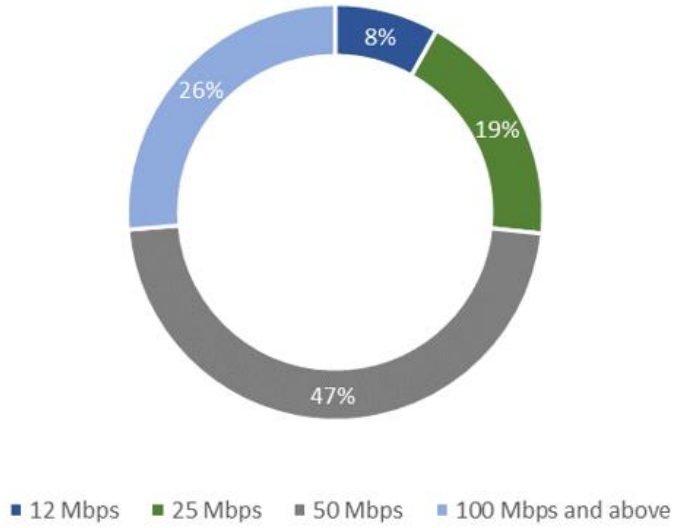
Our investment plan also includes dedicated regional co-investment funds and business fibre programmes to help push NBN fibre and fixed wireless deeper into regional communities and support the digitisation of Australian businesses.

Our customers and products

As a wholesale network operator, we provide access to the NBN and related activities to access seekers, including retail service providers, on a non-discriminatory basis. This approach seeks to help to level the playing field in the Australian telecommunications industry, enhancing competition and providing greater choice for customers across the country. End users connect to the NBN through retail service providers for access to high speed broadband. Retail service providers contract with the end users and manage most aspects of the commercial relationship, including onboarding, billing and customer support services, while we are responsible for installing and maintaining the connection to end user premises.

We earn the vast majority of our revenue from retail service providers, which purchase wholesale broadband products to integrate into their internet protocol networks and systems to create retail broadband services for their end users. The remainder of our revenue comes from construction and lease activity, as well as licensing fees from Telstra for the right to access copper and HFC networks and deliver legacy services for a limited period after the NBN fixed-line network becomes available in an area Telstra previously served.

Our products have been constructed to allow retail service providers to take advantage of a flexible set of features to sell services over the NBN to their residential, business, enterprise and government customers. We sell a range of wholesale broadband access products provided over the NBN with indicative Layer 2 download speeds ranging from 12 Mbps to up to 1000 Mbps. The following chart shows our end users by the wholesale speed tier of the plan under which they are connected as at 30 June 2023.



Based on data gathered by the ACCC, for the three months to December 2022, NBN services averaged 452 gigabytes per month of downloads, an increase of 12% compared to 404 gigabytes per month for the corresponding reporting period ended December 2021.[3] Increased household bandwidth requirements have driven significant uptake in higher speed plans, particularly 50Mbps and above plans, with these activations increasing from 2.7 million services to 6.4 million services between December 2018 and June 2023.[4] Higher speed plans command higher prices than lower speed tiers, and the uptake of higher speed plans has been a key lever for our revenue and margin growth. In addition, we believe that the initial phase of the COVID-19 pandemic accelerated the shift in home consumption trends which have supported the increased take-up and consumption of home broadband.

The end users of our products can be divided into a market of residential end users and one of business end users:

- Residential market (78.5% of FY23 telecommunications revenue[6]): The residential market comprises end users in residential premises, which generally connect via a general-purpose data connection. The delivery of fixed broadband to residential customers is generally separated into retail services (for example, Telstra, Optus) and wholesale-only infrastructure access (for example, NBN Co). The retailing of fixed broadband services to households is relatively concentrated in Australia, with the top five retail service providers, Telstra, TPG, Optus, Vocus and Aussie Broadband comprising approximately 91.6% of total services in operation on the NBN as at 30 June 2023.[5]

- Business market (21.5% of FY23 telecommunications revenue[6]): The business broadband market comprises businesses, institutions and enterprises that have a range of broadband requirements from general purpose services to business grade internet services. General purpose services are offered based on peak information transfer rates and are delivered on a best efforts basis. Business grade services can be structured to deliver committed information transfer rates that guarantee download and upload speeds, and can be offered on symmetrical download and upload speeds. The leading retail service providers of business grade broadband typically offer services on a vertically integrated basis. As a result, the business grade broadband market is mainly shared by Telstra, Optus, TPG and Vocus.

3 Source: ACCC, Internet activity report for the period ending 31 December 2022
4 Source: ACCC NBN Wholesale Market Indicators Report, December quarter 2018 and June quarter 2023 reports
5 Source: ACCC NBN Wholesale Market Indicators Report, June quarter 2023 report
6 Non-telecommunications revenue comprised approximately 2.5% of FY23 revenue

Transitioning end users to the NBN

Before we were established, Telstra and Optus were the two leading owners of telecommunications networks capable of delivering fixed-line internet services in Australia. In 2011, we entered into commercial agreements with both Telstra and Optus to facilitate the migration of most of their residential fixed-line customers to the NBN fixed-line network as it became ready for service. Under these agreements, which were amended in 2014 to reflect the multi-technology mix model, we paid a fixed fee to Telstra for each customer disconnected from existing Telstra fixed-line services and to Optus per customer migrated to the NBN fixed-line network. We recorded these fees as "subscriber costs" in our income statement. With the completion of the initial build phase of the network, subscriber costs have virtually ceased in FY23 and we do not expect to incur substantial subscriber costs in subsequent periods. We have taken ownership of parts of Telstra's existing copper network where it is used in the NBN and all of Telstra's HFC network. Similarly, Optus agreed to transfer the parts of its HFC network that we elected to incorporate into the NBN and to decommission the remainder of its network.

See "— Telstra relationship" for further information.

Regulatory framework and pricing

Regulation is an important factor in the way we operate our business. In particular, we are subject to a number of laws and regulations in relation to governance and internal risk management that arise as a result of ownership by the Australian government. Laws and regulations also govern the terms on which we offer our services, the prices we can charge and the range of activities that we are permitted to undertake.

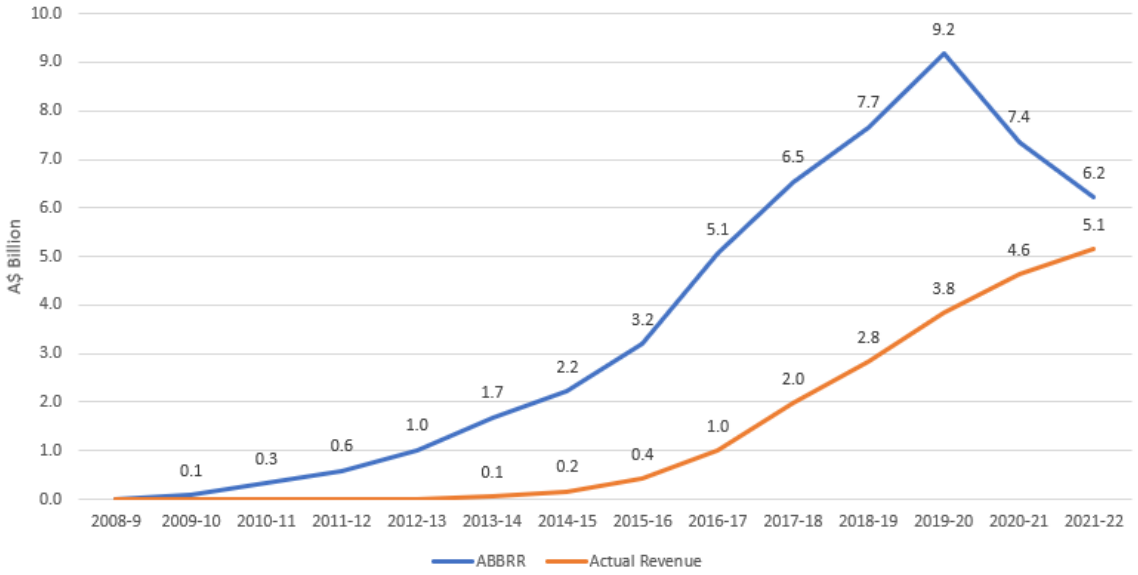
The regulatory framework governing our pricing and access terms is supervised by the ACCC, an independent Commonwealth statutory authority whose role is to regulate certain industries and to enforce competition and consumer legislation in Australia. Many of the terms that govern pricing and access to our FTTP, fixed wireless and satellite services are set out in our Special Access Undertaking, or SAU. The SAU is a regulatory undertaking given to the ACCC by us that creates binding obligations that can be enforced by the ACCC and affected parties. The SAU was accepted by the ACCC in December 2013 and will expire in 2040. The SAU may be varied if the ACCC accepts a variation we propose.

We offer commercial pricing and access terms via a Standard Form of Access Agreement known as our Wholesale Broadband Agreement, or WBA. When entered into by us and a customer, it forms a commercial contract setting out the terms and conditions of the supply of services over our entire network, including pricing and service level commitments. The WBA allows NBN Co to achieve commercial outcomes and optimise take-up and returns within the constraints of the regulatory framework and market context. The WBA has generally been negotiated every two to three years as part of our ongoing engagement with retail service providers and other stakeholders. We agreed to WBA4, the latest iteration of the WBA, in December 2020. We continue to contract with retail service providers on the basis of WBA4, and we have proposed to extend the term of WBA4 until 31 January 2024 to cover the period until our proposed amended SAU has been accepted by the ACCC and WBA5, the next iteration of the WBA, becomes effective.

We have been engaged in a process of consultation with retail service providers and the ACCC to update our SAU to, among other things, update the network technologies covered by the SAU and reflect a revised pricing construct. We initially submitted an SAU variation to the ACCC in March 2022, but withdrew it in July 2022 following feedback from the ACCC and industry stakeholders. We submitted a revised SAU variation in November 2022. In May 2023, the ACCC released draft decision to reject the variation. On 14 August 2023, we submitted a further revised SAU variation to the ACCC, which it is currently assessing. See "—Pricing and regulation", "Regulation—Our Current Special Access Undertaking" and "Regulation—Variation of the SAU" for further information.

Our pricing for the network technologies that are covered by the current SAU (that is, FTTP, fixed wireless and satellite) is subject to maximum regulated prices, or MRPs. Under the current SAU, we are permitted to increase those maximum regulated prices each year by an amount not exceeding the Australian Consumer Price Index, or CPI, a measure of inflation, less 1.5%. However, market-based considerations have resulted in our prices remaining below our regulatory limits and, to date, we have not increased the MRPs under this mechanism. See "—Pricing and regulation" for a table that illustrates the gap between our current price and the MRP for a selection of our broadband bundles.

To date, the annual revenue we would have been permitted to earn under the SAU has significantly exceeded our actual revenues. In addition to the price controls applicable to the MRPs, the amount of revenue we are permitted to earn annually is subject to a cap under the SAU known as the annual building block revenue requirement, or ABBRR. Under the current SAU, this cap would not act to limit us in the amount of revenue we can recover in any given year until the balance of our initial cost recovery account, or ICRA, is reduced to zero. Given the amount of our ICRA, under the terms of the current SAU we do not anticipate that the SAU would constrain the revenue we are able to earn from the market in the foreseeable future. The graph below illustrates our actual revenues against our ABBRR for FY09 to FY22.[7] To address ACCC concerns in relation to the size and future trajectory of the ICRA, the revised SAU would limit the maximum amount of ICRA to be recovered within the remaining term of the SAU (i.e. to 30 June 2024) to A$12.5 billion, to be indexed annually for inflation. See "Regulation—Pricing and revenue caps", "Regulation—Our Current Special Access Undertaking" and "Regulation—Variation of the SAU" for more information.



The ACCC also has the right to intervene and make determinations on non-SAU covered technologies (that is, HFC, FTTB, FTTC and FTTN) under its Part XIC powers. These powers give the ACCC the power to regulate and enforce regulatory obligations in a manner that, among other things, promotes competition, protects the interests of end users and ensures the efficient use of and investment in infrastructure. As at the date of this offering circular, the ACCC has no outstanding formal public inquiries into NBN Co under Part XIC. The ACCC is currently considering the SAU variation we lodged on 14 August 2023. See "Regulation" for further information.

In addition to changes on pricing regulation, we have proposed to embed benchmark service standards as part of our amended SAU proposal that will provide the industry with greater certainty regarding network performance. We will also establish new processes to report our performance and revise our benchmarks, and establish new powers for the ACCC to set benchmark service standards. See "Regulation—Variation of the SAU" for further information.

7 Data for FY23 will not be available until October 2023 when we provide updated values to the ACCC in accordance with our annual reporting process

Financial snapshot

For the twelve months ended 30 June 2023 (FY23), we earned revenue of A$5.3 billion and EBITDA of A$3.6 billion and had a net loss for the year of A$1.1 billion.

Our initial build phase was primarily funded by equity contributions and loans from the Australian government, totalling A$29.5 billion of equity and A$19.5 billion of loans to our business received prior to 2020. Since 2020 and as at 30 June 2023, we have raised A$26.8 billion from debt capital markets and bank facilities, with A$5.7 billion raised during FY23, excluding our overdraft facility. We used A$875 million of the proceeds to repay a portion of our government borrowings in FY23. The remainder of our government borrowings (A$5.5 billion as at 30 June 2023) mature in June 2024. We plan to continue to borrow from third party lenders and debt capital markets in order to repay our government borrowings prior to or at maturity. As at 30 June 2023, our net borrowings were A$25.8 billion and we had committed liquidity of A$4.5 billion to support ongoing business activities (comprising unrestricted cash and undrawn bank facilities less promissory note issuances and our overdraft facility).

We currently have long-term credit ratings from Moody's Investors Service Pty Limited (Aa3) and Fitch Australia Pty Limited (AA). Both agencies have identified their expectation of Australian government support as a key driver of our rating (the Australian government is rated AAA). We expect our maturing operating profile and the continuing demand for broadband to support growth in EBITDA and cash flow and improving credit metrics on a standalone basis.

Our people

As at 30 June 2023, we had a workforce of approximately 4,475 full-time equivalent employees and temporary contractors. Substantially all of our employees are located in Australia.

Key strengths

Established by the Australian government to ensure all Australians have access to affordable high speed broadband – We are wholly-owned by the Australian government and are the legislated default statutory infrastructure provider for wholesale broadband in Australia. We are tasked with fulfilling a bipartisan Australian government policy objective to enable access to affordable high speed broadband for all Australians.

Sole provider of critical nationwide fixed-line broadband infrastructure – We operate as a wholesale access network with no fixed-line competitors of comparable scale. As at 31 December 2022, approximately 95% of total fixed-line residential broadband internet services in operation in Australia were with NBN. While our residential business faces competition from smaller fixed-line broadband providers, wireless technologies such as 5G, and low Earth orbit satellite technologies, we believe that our competitors and new entrants are unlikely to build a network with comparable coverage and capacity due to the high capital investment required and the current scale, coverage, reliability and resilience of our network.

Digital backbone of Australia, underpinned by modern, high quality and resilient network – Since 2009, we have invested more than A$50 billion to build a reliable and resilient nationwide multi-technology network.

We have been undertaking a series of network upgrades designed to make our highest residential speed tier (Home Ultrafast) available to more of our fixed-line network. In October 2022, the Australian government announced that it would invest A$2.4 billion to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. We are also undertaking a A$750 million investment (to which the Australian government has contributed A$480 million) to upgrade services within our fixed wireless and satellite footprint in order to provide faster broadband across regional Australia.

As at 30 June 2023, around 6.9 million premises can order Home Ultrafast services. This comprises 2.4 million premises currently covered by FTTP connections and 2.0 million premises currently covered by FTTN or FTTC connections that can access Home Ultrafast via an FTTP upgrade. Our entire HFC network, covering around 2.5 million premises, can also access Home Ultrafast services. By December 2025, we expect that approximately 90% of premises in the fixed-line footprint will be able to order a Home Ultrafast service.

Emergence of broadband as an essential utility driven by evolving household internet consumption habits – Australian data consumption habits and requirements have undergone rapid evolution in recent years and data usage has accelerated due to the impacts of COVID-19, working from home arrangements and the uptake of technologies such as video streaming and online gaming. The total volume of data downloaded across the NBN increased from 6.3 million terabytes in the quarter ended June 2020 to 10.1 million terabytes in the quarter ended December 2022.[8]

Robust financial outlook underpinned by high penetration and a gradual shift to higher speed tiers – As at 30 June 2023, approximately 70% of premises that are able to connect to the NBN had done so, providing us (through their respective retail service providers) with a substantial user base that depends on our products. We expect that as available network speeds increase and existing and new applications that require high bandwidth proliferate, over time, more users will take up higher-priced higher speed tier plans, supporting revenue growth. Although the percentage of users on plans with peak wholesale download speeds of 50 Mbps or above declined to 73% at 30 June 2023 from 76% at 30 June 2022, the percentage on plans of 100 Mbps or higher grew from 18% at 30 June 2022 to 26% at 30 June 2023.

Strong investment grade rating supported by Australian government – We have a long-term credit rating of Aa3 by Moody's and AA by Fitch. Both agencies identified the level of Australian government support as a key driver of our rating. We expect our maturing operating profile and continuing demand for broadband to support growth in profitability, cash flows and improving standalone credit metrics.

Transparent and established regulatory environment – The regulatory framework governing access to our network has been in place since 2011 and the ACCC accepted our Special Access Undertaking in 2013. We maintain a constructive relationship with the ACCC to cultivate a stable operating environment with a direct line of communication with our regulator. We have been engaged in a process of consultation with retail service providers and the ACCC to update our SAU to, among other things, reflect a revised pricing construct. While the outcome of this process is not final as of the date of this offering circular, we believe that it will reflect a comprehensive and transparent process in which the interests of all stakeholders have been carefully considered. See "—Pricing and regulation", "Regulation—Our Current Special Access Undertaking" and "Regulation—Variation of the SAU" for further information.

Strategic priorities

Our principal responsibility is to operate and continue to build and upgrade the NBN network in accordance with the Australian government's Statement of Expectations published in December 2022. The government has stated that it will direct us to expand full-fibre access to more homes and businesses and ensure the NBN network delivers for consumers and facilitates productivity. We aim to achieve this by progressing the following strategic pillars:

- Developing a product and pricing portfolio that addresses our customers' diverse needs.
- Ensuring everyone across Australia has access to high speed, resilient and secure broadband.
- Delivering a customer experience that drives satisfaction, use and network preference.
- Strengthening partnerships with government, industry and community to optimise customer benefits.
- Building capabilities for the future and growing profitably to enable re-investment to benefit our customers.
- Keeping NBN Co a great place to work, underpinned by a customer-led culture.

[8] ACCC, Internet activity report for the period ending 31 December 2022

History

We were formed by the Australian government in April 2009 to fulfil the government's policy objective of making broadband internet access available to all Australian households and businesses through a nationwide open access wholesale broadband network.

We commenced building the network in early 2010 and connected our first end users in July 2010.

In 2011, the Australian Parliament passed the National Broadband Network Companies Act 2011 (Cth), which, together with related amendments to the Telecommunications Act 1997 (Cth) and the Competition and Consumer Act 2010 (Cth), established the regulatory framework for our operations and interaction with the market. In June 2011, we entered into an Equity Funding Agreement with the Australian government under which the government committed to provide A$27.5 billion of equity capital. This was adjusted to A$29.5 billion in March 2014. By 30 June 2018, the full A$29.5 billion of equity funding had been provided.

In June 2011, we signed a suite of contracts with Telstra, which was Australia's dominant vertically integrated telecom carrier, retailer and largest owner of the country's fixed-line telecommunications infrastructure. Under these contracts, Telstra granted us rights to use existing Telstra infrastructure for a minimum of 35 years (with options to extend). Telstra also agreed to progressively disconnect most of its fixed-line telephone and internet customers from its legacy networks and, for a period of 20 years (subject to limited exceptions), exclusively use the NBN to provide fixed-line carriage services to Telstra's customers within the footprint of our fixed-line network. We agreed to make payments to Telstra for disconnecting its customers, payments to acquire certain existing infrastructure connecting premises to the network and infrastructure access payments. For more information regarding our agreements with Telstra, see "— Telstra relationship".

In June 2011, we also signed an agreement with Optus, then Australia's second largest telecommunications provider and the owner of a HFC network used to deliver cable television, internet and telephone services to premises primarily in Australia's mainland capital cities. Under the agreement, Optus agreed to progressively migrate its legacy HFC customers to the NBN fixed-line network and we agreed to pay Optus based on the number of customers migrated. Optus also agreed to decommission most of its HFC network.

Following a change in government at the 2013 Australian federal election and a strategic review of the NBN, the design of the NBN was changed to a "multi-technology mix" in the view that this would result in broadband services becoming available more quickly and at lower cost. Under this model, instead of FTTP connections only, our fixed-line network includes FTTN, FTTB, FTTC and HFC connections, making use of existing HFC and copper wiring.

As a result of this change, in 2014, we renegotiated our agreements with Telstra and Optus. In particular, Telstra agreed to progressively transfer elements of its copper and HFC networks to us. Optus agreed to transfer the parts of its HFC network that we elected to incorporate into the NBN and to decommission the remaining coaxial components.

In December 2016, we entered into a Facility Agreement with the Australian government under which the government agreed to provide us with debt funding of A$19.5 billion. The Facility Agreement was initially due to expire on 30 June 2021, however it was subsequently extended to 30 June 2024.

In April 2020, we began to source bank debt facilities to repay our government loan and sustain our operations and capital expenditure.

By 30 June 2020, we had completed the initial build phase of the network.

In September 2020, we announced a A$4.5 billion network upgrade investment plan, including A$3.5 billion to make our highest wholesale speed plans available to more of our fixed-line network.

In December 2020, the then Minister for Communications declared under section 48 of the National Broadband Network Companies Act 2011 (Cth) that, in his opinion, the National Broadband Network should be treated as built and fully operational.

In October 2022, the Australian government announced that it would invest A$2.4 billion of equity over four years to help fund our delivery of the government's commitment to upgrade more of our local area network to fibre and extend FTTP access to a further 1.5 million premises on our network.

On 19 December 2022, our Shareholder Ministers issued a new Statement of Expectations reflecting the policy of the new government that was elected in May 2022. The Statement of Expectations indicates that the Government will keep NBN Co in public hands for the foreseeable future to provide us with the certainty needed to continue delivering improvements to the network while keeping prices affordable.

Our network

The NBN is a wholesale-only bitstream multi-technology network, incorporating a mix of FTTP, FTTN, FTTB, FTTC and HFC fixed-line access technologies as well as fixed wireless and satellite services. This network connects premises across Australia to 121 "points of interconnection" where end user traffic is handed over between the NBN and retail service providers' own networks.

The following table illustrates the technology mix of the NBN as at 30 June 2022, including the indicative maximum download speeds available to end users for each technology.

Technology	Description	% of premises[(1)]	Indicative max. download speed (Mbps)[(2)]
Fibre-to-the-Premises (FTTP)	Connection through fibre optic cable all the way to premises	20	1000
Fibre-to-the-Node (FTTN)	Fibre connection into neighbourhoods and then makes use of the existing copper into the premises	33	100
Fibre-to-the-Building (FTTB)	Fibre connection to a node within a multi-dwelling building, and then makes use of existing or new copper to individual units.	5	100
Fibre-to-the-Curb (FTTC)	Fibre connection to the curb and then makes use of the existing copper into the premises	12	100
Hybrid Fibre Coaxial (HFC)	New and existing networks of fibre and coaxial cable to deliver broadband services into premises	21	1000
Fixed Wireless	Utilising wireless tower connections predominantly to rural communities and outer metropolitan areas outside the reach of the NBN fixed-line network	6	75
Sky Muster Satellite	Employs satellite technology to provide services, largely to remote areas	3	25 [(3)]

Notes:

(1) Percentage of ready to connect premises. A premises is ready to connect when an NBN service order can be placed and the service can be connected within an area that has been declared ready for service.

(2) Indicated speeds are the maximum enabled speeds for each technology. The indicated maximum speed will not be available at all locations. Actual maximum speeds depend on a range of factors.

(3) Sky Muster Plus can burst upwards towards 50 or 100 Mbps (depending on the plan) but these speeds are not guaranteed.

The data transfer speed that an end user experiences can be affected by the following factors:

- the technology available at the end user's premises;
- the speed and traffic class of the product that our customer purchased and resold to the end user;

- a range of technical factors, including the distance data must travel over copper wire or coaxial cable to the end user's premises, the equipment and software employed at an end user's premises, and the retail service provider's network design and configuration; and

- whether the retail service provider has provisioned enough CVC capacity to avoid congestion.

The different access network technologies we use have different inherent factors that determine the ability of that part of the network to support the required speeds, which become a primary design consideration in building and improving the network:

- FTTN/B – Length and quality of copper line, customer premises equipment.

- FTTC – Length and quality of copper line, fibre splitter dimensioning.

- FTTP – Fibre splitter dimensioning.

- HFC – Spectrum, user traffic demand and node dimensioning.

- Fixed wireless – Spectrum, user traffic demand, distance, obstructions, interference and cell dimensioning.

- Satellite – Spectrum user traffic demand, obstructions, interference and beam dimensioning.

Under our current WBA, we are obliged to pay a range of rebates for each service in remediation because it has failed to meet speed commitments.

For more information about CVC capacity and the speed and traffic class options available to our retail service provider customers, see "— Our products".

The physical infrastructure comprising the fixed-line portion of the NBN includes over 300,000 km of optical fibre cable as well as the HFC cable and copper wiring we have acquired from Telstra and a range of passive and active networking equipment. We own substantially all of these network connectivity assets. We lease certain fibre lines used in connection with Telstra's legacy HFC network and dark fibre from Telstra. We also lease most of our ancillary network infrastructure, such as cable ducts and exchange racks, predominantly from Telstra. We have progressively taken ownership of existing network infrastructure such as copper wiring, HFC cable and the lead-in conduits that connect individual premises from Telstra as our network has expanded to incorporate them. As at 30 June 2023, our fixed-line network was available to over 11.2 million premises, of which approximately 8.1 million were connected to an NBN service.

Our fixed wireless network is predominantly designed to provide high speed internet access in regional areas where extending the fixed-line network would be uneconomic. We have deployed over 2,300 base stations, which are either physically connected to the fixed-line NBN or connected wirelessly to another base station. End users connect to a base station via a 4G wireless network termination device mounted on their premises. We plan to introduce 5G-enabled wireless network termination devices in FY24. We own a range of spectrum assets in the E-UTRA Operating Band 40 (2.3 GHz to 2.4 GHz frequency range) and E-UTRA Operating Band 42 (3.4 GHz to 3.6 GHz frequency range) to deliver these services. In 2020, as part of the 3.4 GHz frequency allocation band restack, where licensees' holdings within the frequency band are moved to make them contiguous (for efficiency purposes) without changing the quantum of spectrum allocated, ACMA converted our annual apparatus licence model into long-term spectrum licences, expiring at the end of 2030. We continue to pay an equivalent value, in multiple instalments, for these licences despite the change in licence type. As part of the arrangements, we surrendered the spectrum we held in urban areas (known as urban excise areas) which were adequately served by our fixed-line technologies. In December 2020, we were issued 28 GHz spectrum under an area-wide licence (AWL construct) by ACMA in the same areas as our existing fixed wireless network. As at 30 June 2023, our fixed wireless network was available to approximately 684,000 premises, of which approximately 397,000 were connected to an NBN service.

We own two communications satellites in geostationary orbit, built by SSL (now Maxar Technologies) and launched in 2015 and 2016, to provide our Sky Muster satellite and associated broadband services in remote areas. Each satellite was designed for at least 15 years of operation. End users connect to the satellite signal

through an externally mounted satellite dish. As at 30 June 2023, the Sky Muster satellite service was available to approximately 400,000 premises, of which approximately 92,000 were connected to an NBN service.

In March 2022, in response to the recommendations of the Regional Telecommunications Independent Review Committee, the Australian government announced a A$480 million grant to uplift our fixed wireless network and associated satellite footprint. This is supported by an additional A$270 million investment by NBN Co. As a result of recent advances in 5G technology, as well as our extensive testing and planned implementation of 5G mmWave technology, we expect to primarily deliver these enhancements using the existing network of our fixed wireless towers.

In June 2023, we released a request for information to a number of low Earth orbit satellite operators as an initial step towards exploring the potential of low Earth orbit satellite services to meet the evolving broadband needs of homes and businesses in our satellite footprint. We expect that the provision and assessment of this information will take a number of months.

Installation requirements for an end user's initial connection to the NBN depend on the network technology deployed in the area and the customer's existing connection arrangements. The following table illustrates typical installation requirements for the major NBN technologies.

Technology	Typical Installation
FTTN	Physical connection of existing copper line to premises at the node, no on-premises installation
FTTB	New fibre connection to the node in a building's communications room, then using existing technology in the building to connect to each unit or apartment
FTTC	New fibre connection to a small distribution point unit generally inside a pit on the street, then existing or new copper line into premises with network connection box required inside premises
FTTP	New fibre connection to the premises, network termination device installed
HFC	New and existing coaxial lead-in into premises, network termination device installed
Fixed Wireless	Wireless network termination device comprising an outdoor LTE/4G modem and indoor network termination device installed. We plan to introduce 5G-enabled wireless network termination devices in FY24.
Satellite	Satellite dish and network termination device installed

Many premises also require a lead-in conduit to be installed or refurbished in order to connect to the fixed-line network. A lead-in conduit is an underground conduit through which cables can be drawn to connect premises to the network. In low density areas where premises are set back from the street, installing lead-in conduits can involve extensive trenching. As a result, the construction of lead-in conduits can represent the biggest single portion of the capital cost of the fixed-line network in such areas.

Construction and completion of the initial build phase

We completed the initial build phase of our network as at 30 June 2020, meaning that all standard installation premises in Australia were able to connect to the NBN by this date. This does not include premises defined as "constrained premises", including properties that are difficult to access, or that are in culturally significant areas or heritage sites. We estimate that approximately 1,189 constrained premises remained outstanding as at 30 June 2023. Construction work to connect these premises as well as to connect new developments is ongoing. In addition, we continue to work on a number of upgrade projects, and we have an extensive programme of scheduled maintenance.

Network upgrades

We have been undertaking a series of network upgrades designed to make our highest residential speed tier (Home Ultrafast) available to more of our fixed-line network. These upgrades include a program to upgrade premises from FTTN to FTTP on an on-demand basis, transition premises from FTTC to FTTP and increase capability and capacity across our HFC network. In October 2022, the Australian government announced that it would invest A$2.4 billion to enable us to upgrade more of our local area network to fibre, which will enable an additional 1.5 million premises served by FTTN technology to order higher speed plans using an FTTP connection. We are also undertaking a A$750 million investment to upgrade services within our fixed wireless and satellite footprint in order to provide faster broadband across regional Australia. The Australian government has contributed a grant of A$480 million towards this investment.

As at 30 June 2023, around 6.9 million premises can order Home Ultrafast services. This comprises 2.4 million premises currently covered by FTTP connections and 2.0 million premises currently covered by FTTN or FTTC connections that can access Home Ultrafast via an FTTP upgrade. Our entire HFC network, covering around 2.5 million premises, can also access Home Ultrafast services. By December 2025, we expect that approximately 90% of premises in the fixed-line footprint will be able to order a Home Ultrafast service.

Network performance and reliability

We use and publish a number of measures to track the performance and reliability of our network, including the following:

Network availability – the percentage of time during a period the NBN is available and operating. For this measure, the network is considered unavailable during the time we are restoring services as a result of a fault. It does not include periods where the network is unavailable for upgrades and improvements or events beyond our control.

Faults after connection completed (per 100 premises) – measures the average number of individual service faults per month per 100 premises connected. The measure excludes faults experienced during the first 10 business days of the connection.

Fixed-line network congestion – the estimated average percentage of homes and businesses that experience downstream access network congestion on our fixed-line network. This does not include CVC congestion, which relates to the amount of bandwidth that has been provisioned by retail service providers. From July 2020, the calculation of this metric was expanded to include measurement from FTTN/B and HFC transit links, which were not previously included.

The following table shows our network's performance on these measures for FY23, FY22 and FY21.

	Year ended 30 June		
	2023	**2022**	**2021**
Network availability [(1)]	99.97%	99.95%	99.96%
Faults after connection [(2)]	0.7	0.9	0.7
Fixed-line network congestion [(3)]	0.00%	0.01%	0.04%

Notes:
(1) This does not include periods where the network is unavailable for upgrades and improvements or events beyond our control.
(2) This does not include faults experienced during the first 10 business days of the connection.
(3) This does not include CVC congestion, which relates to the amount of bandwidth that has been provisioned by retail service providers.

Network usage

Traffic on the NBN is generally highest during the evening hours between approximately 8pm and 10pm in the eastern Australian states. Over time, usage has trended higher, punctuated by periodic peaks, often associated the release of major updates to popular games. Data usage increased sharply during the period of COVID-19 lockdowns as more people worked and studied at home and consumed streaming entertainment. The average monthly data downloads per end user on the NBN grew from 255 GB in FY19 to 331 GB in FY21. However, following the COVID-19 period, data consumption has continued to grow, with average monthly data downloads per end user reaching 415 GB for the six months ended 30 June 2023.

The following chart shows average monthly data downloads per end user from October 2019 to June 2023.

Our customers

Our customers are predominantly Australia's providers of retail telecommunications services. The retail service providers market broadband internet to household and business end users or to other retail service providers. When the retail service providers contract with an end user, they purchase a corresponding wholesale broadband access product from us. Retail service providers are responsible for the customer service relationship with the end user, including contracting, billing, customer service and technical support helpdesks. We also sell broadband services to other wholesalers and aggregators of broadband services, and content service providers.

As at 30 June 2023, we had 73 retail service provider customers, of which the largest three: Telstra, TPG and Optus, constituted approximately 77% of end user connections to the NBN and generated approximately 76% of our telecommunications revenue for FY23. Our customers include nationwide providers that offer their customers a full suite of NBN-enabled products as well as mobile telephone and entertainment options, as well as smaller providers including regional providers, providers focussed on the business market or business segments and other niche players. The following table shows the number of services in operation by retail service provider at 30 June 2023, 2022 and 2021.

	As at 30 June					
	2023		2022		2021	
Retail service provider	**Services in operation**	**%**	**Services in operation**	**%**	**Services in operation**	**%**
Telstra…….	3,631,370	41.5%	3,776,374	43.3%	3,757,052	44.8%
TPG…….	1,895,745	21.7%	2,015,721	23.1%	2,028,002	24.2%
Optus……..	1,144,467	13.1%	1,199,964	13.8%	1,309,553	15.6%
Vocus……..	692,124	7.9%	631,093	7.2%	598,780	7.1%
Other……..	1,392,366	15.9%	1,099,307	12.6%	684,486	8.2%
Total ……	**8,756,072**	**100.0%**	**8,722,459**	**100.0%**	**8,377,873**	**100.0%**

Note:
Percentages may not add to 100.0% exactly due to rounding.

Source: ACCC NBN Wholesale Market Indicators Report

Because the NBN is an open access wholesale-only network, any retail service provider can use our network to provide broadband internet services to end users, subject to completing our onboarding process and ongoing compliance with their agreements with us. Onboarding involves a range of assessments, credit checks and testing as well as assistance with operationally preparing the retail service provider to provide services on the NBN.

We have dedicated sales and marketing teams to engage with retail service providers and to promote uptake of NBN products in the wider community. In addition, we engage directly with end users across multiple platforms and undertake both product and image advertising across various forms of Australian media.

Our products

We offer a flexible product structure, available nationally subject to the capabilities of the local technology.

Under WBA4, we sell wholesale broadband access products in three traffic classes, with different speed tiers within each class. The classes are:

- TC1 – a committed information rate, or CIR, symmetrical service designed to support business grade Voice over Internet Protocol, or VoIP, services;
- TC2 – a CIR symmetrical service designed for business grade data services; and
- TC4 – a "best efforts" asymmetrical service designed for general internet applications such as residential internet and non-critical business data applications.

In FY23, 95% of our telecommunications revenue came from TC4 services.

In order to provide a TC4 broadband access service via the NBN, a retail service provider must acquire four product components from us:

- a network-to-network interface, or NNI, at the point of interconnection through which it wishes to provide the service;
- Connectivity Virtual Circuit, or CVC, capacity;
- an Access Virtual Circuit, or AVC, for the premises it wishes to service; and
- a User Network Interface, or UNI, which is the physical port through which the end user's premises are connected to the NBN.

We also offer optional product features on some of our technologies such as:

- enhanced fault rectification services;
- a bundle discount for our 12/1 Mbps service to enable retail service providers to offer an affordable basic telephone service;
- NNI Link, which is a virtual network-to-network interface, which enables a retail service provider to virtually acquire AVC and CVC at a point of interconnection without a physical interface, making it easier for smaller retail service providers to expand their service footprint; and
- Business grade services on our satellite technologies.

We offer our TC4 AVC products at a range of speed tiers with indicative download and upload speeds. Our current suite of TC4 products aimed at residential end users ranges from an entry level 12/1 Mbps product through to our Home Ultrafast product, which offers services at peak wholesale download speeds of 500 Mbps to close to 1 Gbps, depending on technology, and an upload speed of 50 Mbps. Over recent years, we have seen a steady increase in the uptake of higher speed products.

Under WBA4, we offer retailers a series of product bundles where an allowance of CVC capacity is included with each AVC service a retailer acquires, priced at a discount to the cost of the components if acquired separately. See "— Pricing and regulation" for a table showing the inclusions and prices of our most popular product bundles under WBA4. As at 30 June 2023, approximately 99% of our residential connections

related to a bundled product. Retail service providers can also pay for additional CVC, known as overage, to the extent they need it to manage their customer experience.

We also offer a range of TC4 bundles that are aimed at business users. In addition, we offer an alternative point-to-point service for small and medium business, enterprise and government users that we market under the name Enterprise Ethernet. Enterprise Ethernet includes a range of enterprise specific infrastructure and services, including dedicated fibre from the premises to the nearest fibre access node, a business grade network termination device, access to high symmetrical speeds, specialised service options and support from a dedicated business operations centre. As at 30 June 2023, there were 321 "Business Fibre Zones" across Australia, enabling 955,000 business premises to access Enterprise Ethernet without incurring build costs. As at 30 June 2023, there are more than 25,000 active Enterprise Ethernet services.

In addition to our standard Sky Muster satellite services, we also offer Sky Muster Plus services, our flagship consumer-grade satellite product. Unlike the rest of our NBN consumer products, which operate at Layer 2, Sky Muster Plus services operate at Layer 3. This allows Sky Muster Plus to provide unmetered data for all internet activities other than video streaming and virtual private network traffic, which counts towards an end user's data limit between 4pm and midnight. Download speeds may burst up to 50 Mbps subject to network capacity and network conditions. In June 2023, we launched a new Sky Muster Plus plan called Sky Muster Plus Premium. This new plan provides uncapped data usage for all internet activities and offers download speeds that can burst up to 100 Mbps, subject to network capacity and network conditions.

Our business grade satellite services support a range of remote end users from the aviation, education, health, agribusiness and resources industries. In FY22, the satellite beams for our business grade satellite services expanded to cover 100% of the Australian mainland and certain large surrounding islands such as Christmas Island, Lord Howe Island and Norfolk Island.

We regularly adjust our product mix to reflect technological developments and the needs of retailers and end users. We consult retail service providers regularly to understand their product needs and preferences and publish a product roadmap to provide retail service providers with a view of upcoming product developments.

Pricing and regulation

Under WBA4, our pricing structure is based on separate charges for the individual wholesale product components our retail service provider customers purchase. The main product components for our main broadband internet service for residential and small business premises are AVC and CVC. Our predominant pricing model is to offer bundles consisting of an AVC at a specified speed level and an included allocation of CVC capacity, priced at a discount to the list price of the individual components. We charge for CVC provisioned capacity in excess of the included capacity on a metered basis. We refer to these charges as CVC overage. This current pricing structure and discounting approach will change if the SAU variation lodged in August 2023 is accepted by the ACCC, as further described below.

The terms on which we make access to our broadband services available to retail service providers and the prices we charge are subject to extensive regulation that is intended to ensure that our retail service provider customers are able to access our services on terms that are non-discriminatory and economically efficient.

The services that we provide are regulated by the ACCC under the Competition and Consumer Act 2010 (Cth). We have submitted, and the ACCC has accepted, an SAU which sets out certain key terms on which we must provide access to FTTP, fixed wireless and satellite services, including pricing, and is enforceable by the ACCC. The SAU was accepted by the ACCC in December 2013[9] and will expire in 2040. FTTN, FTTB, FTTC, HFC and other technologies currently fall outside the scope of the SAU and the ACCC may regulate them under Part XIC of the Competition and Consumer Act 2010 (Cth). We lodged a proposed SAU variation incorporating these technologies with the ACCC in August 2023. See "Regulation — Variation of the SAU" for more information.

[9] The ACCC accepted a variation to the SAU in April 2021, which extended the expiration date of three non-price provisions which expired in 30 June 2019 to the end of the initial regulatory period, which ended on 30 June 2023.

We are prohibited by legislation from supplying certain regulated services ("eligible services") unless we have published a standard form access agreement in relation to the service or other circumstances are met. The WBA is a standard form access agreement that we enter into with each retail service provider that accesses our services. The WBA covers both the services that are covered by the SAU and our other wholesale broadband services, including those delivered through FTTN, FTTB, FTTC and HFC. The WBA includes detailed commercial and operational terms, including provisions relating to pricing, billing, product specifications, service levels, operational procedures (including those contained in the WBA Operations Manual), intellectual property and liability. The SAU requires us to consult with retail service providers about changes to the WBA.

Under the current SAU, our pricing is subject to two regulatory mechanisms: maximum regulated prices, or MRPs, for those products covered by the SAU, and a long term revenue constraint methodology, or LTRCM, which limits the amount of revenue we are allowed to generate across all of our technologies, including those not covered by the current SAU, by reference to a permitted return after recovering our prudently incurred costs. The ACCC has the ability to set price terms for those products not covered by the current SAU, but has not done so to date. In practice, these two regulatory mechanisms have not directly constrained our prices or revenue to date, and, under the terms of our current SAU, we would not expect them to do so in the foreseeable future. Our prices reflect market-driven factors, and the current price of each product for which an MRP is stipulated in the SAU is below the MRP. Under the current SAU, we are permitted to increase MRPs each year by an amount not exceeding the Australian Consumer Price Index, or CPI, a measure of inflation, less 1.5%. However, market-based considerations have resulted in our prices remaining below our regulatory limits and, to date, we have not increased the MRPs under this mechanism. The following table illustrates the gap between our current price under WBA4 and the MRP under the current SAU as at June 2023 for a selection of our broadband bundles.

	Bundle Cost				
Internet plan	**AVC price**	**CVC inclusions [5]**	**Total bundled value**	**WBA4 discounted effective price[6]**	**Implied discount to SAU MRP**
12/1 Mbps bundle plan[1]	A$24.00	A$2.36	A$26.36	A$22.50	15%
25/5 Mbps bundle plan[2]	A$27.00	A$25.20	A$52.20	A$37.00	29%
50/20 Mbps bundle plan[3]	A$34.00	A$41.74	A$75.74	A$45.00	41%
Home Fast[4]	A$37.00	A$70.88	A$107.88	A$58.00	46%

Notes:

(1) Calculation of discount applies to the following technologies only: Fibre, FTTB, FTTN, FTTC and HFC. CVC inclusion of 0.15 Mbps. Note that of these technologies, MRPs only apply under the SAU to our Fibre network.

(2) Calculation of discount applies to the following technologies only: Fibre, FTTB, FTTN, FTTC, HFC and wireless. CVC inclusion of 1.6 Mbps. Note that of these technologies, MRPs only apply under the SAU to our Fibre network.

(3) Calculation of discount applies to the following technologies only: Fibre, FTTC and HFC. CVC inclusion of 2.65 Mbps. Note that of these technologies, MRPs only apply under the SAU to our Fibre network.

(4) Calculation of discount applies to the following technologies only: Fibre and HFC. CVC inclusion of 4.50 Mbps. Note that of these technologies, MRPs only apply under the SAU to our Fibre network.

(5) Based on current CVC charge of A$15.75 per Mbps. Each bundle has a different level of CVC inclusions.

(6) No allowance for CVC overage charges has been included in these calculations. Overage is payable at A$8.00 per Mbps.

Under WBA4, we publish a product and pricing roadmap periodically after a consultation process in which we engage with retail service providers, consumer groups and the ACCC. Our last industry wholesale pricing consultation (relating to the WBA4 TC-4 bundles discount roadmap) began in March 2022 with the release of a consultation paper. In consideration of the ongoing SAU variation process and the demands on the industry, we extended the existing pricing roadmap, with unchanged prices and CVC inclusions, to cover the period from 1 May 2023 to 30 April 2025 and committed to review usage growth against our forecasts to determine if changes needed to be made. The extended pricing roadmap helps to provide a level of pricing certainty during the term of WBA4 for us and the industry in the event that an SAU variation is delayed. The pricing roadmap will be superseded if our amended SAU is accepted and WBA5 becomes effective. As part of our industry consultation on the further revised SAU, we have published a three-year indicative pricing roadmap and committed to publish a new three-year rolling pricing roadmap by 1 May every year. Under the terms of our proposed SAU variation, a final version of a three-year pricing roadmap, along with a statement of pricing intent, will need to be issued at least one month before the price transition date when new prices would take effect.

Following extensive industry consultations, in March 2022 we submitted an SAU variation to the ACCC. The ACCC issued a consultation paper regarding the proposed variation on 23 May 2022, seeking stakeholder views on a number of aspects of our proposal. The industry and the ACCC raised a number of concerns in relation to our proposal. In July 2022, following the election of a new Australian government in May 2022, our Shareholder Ministers wrote to our Chair indicating that a varied SAU should reflect the changes in the policy landscape and operating environment since the variation was lodged. Accordingly, they considered a withdrawal of our SAU variation and the submission of a revised proposal to be the best way forward for the process, noting that this would allow us to take into account the feedback provided on the current proposal through the ACCC's consultation process. Accordingly, we withdrew our variation in July 2022.

In November 2022, following extensive consultation with the ACCC and industry stakeholders, we submitted our revised SAU variation. In May 2023, the ACCC released a draft decision to reject the variation. On 14 August 2023, we submitted a further revised SAU variation to the ACCC, which it is currently assessing.

The SAU variation submitted in August 2023 would, among other things:

- Include services provided over FTTN, FTTC, FTTB and HFC networks within the scope of the SAU;

- Provide that the term of the SAU would expire earlier than 30 June 2040 in the event that the Australian government ceases to own 50% or more of our shares;

- In respect of all networks other than the satellite network, introduce AVC-only pricing (that is, eliminate CVC charges) for wholesale speed tiers of 100 Mbps and above shortly after the SAU variation is accepted, and reduce CVC charges on the 12, 25 and 50 Mbps wholesale speed tiers in increments (starting from A$5.50 per Mbps), with AVC-only pricing commencing by 1 July 2026;

- Introduce a price floor and a price ceiling for the average combined CVC/AVC charges on each of the 12, 25 and 50 Mbps wholesale speed tiers and commit the company to twice-yearly data inclusion adjustments to reflect changes in end-user demand, until AVC-only pricing commences;

- In respect of all networks other than the satellite network, reduce the monthly wholesale charges for the higher (100 Mbps and above) speed tiers;

- Replace individual price controls on most NBN services with a weighted average price cap (WAPC) or "basket" price control in order to allow a transition to "cost-reflective" prices;

- Supplement the WAPC framework by (1) additional individual sub-caps on each of (a) the entry level TC-4 service (initially the 25 Mbps speed tier) and (b) all other TC-4 services and (2) a price relativity restriction that requires us to maintain price relativities between the TC-4 prices in year 2 of the pricing roadmap that commences in a given financial year and the tariff list for the next financial year;

- Introduce a list of pricing principles into the SAU to provide clarity over the matters to which we must have regard when changing or setting new prices, and provide additional certainty over our long-term pricing intentions; and

- Reduce the amount of historical costs that we will be entitled to recover through our regulated prices to A$12.5 billion.

The pricing provisions and price controls referred to above apply to our main "NBN Ethernet" product and not to competitive services that we offer, such as the Enterprise Ethernet product.

The proposed variation is subject to the ACCC's review and consultation process. If accepted, we plan to implement the revised SAU within three months of acceptance. See "Regulation—Variation of the SAU" for more information.

Connections, field service and network maintenance

Once the NBN fixed-line network became available in an area, end users in the area with an existing fixed-line service (telephone and/or internet) generally had 18 months to transfer their service to the NBN fixed-line network before the legacy service was disconnected. After that period expired, in many areas served by the NBN fixed-line network, a service delivered through the NBN is the only way to obtain fixed-line telephone or internet service.

The following table shows the number of ready to connect premises, the number of premises activated and the number of premises activated as a percentage of ready to connect premises as at 30 June 2023, 2022 and 2021.

	As at 30 June		
	2023	**2022**	**2021**
Premises ready to connect[(1)]	12.3 million	12.1 million	12.0 million
Premises activated	8.6 million	8.5 million	8.2 million
Take-up	69.6%	70.2%	68.5%

Notes:

(1) A premises is ready to connect when an NBN service order can be placed and the service can be connected within an area that has been declared ready for service. In FY21, ready to connect premises included those which were temporarily categorised as HFC supply constrained, where our work on the network was complete but in the short-term an order could not be placed due to a global supply shortage impacting our HFC connections. We recommenced taking orders for new HFC connections on 26 July 2021.

Retail service providers take orders for connection, receive service requests and conduct initial troubleshooting and scheduling service calls through an interface with our scheduling system. We carry out service calls for connections and fault rectification on the NBN.

Once their premises are connected to the NBN, end users are generally able to switch between retail service providers without any additional service calls to support the NBN connection requirements.

We engage contractors to carry out the majority of our field service operations, including network maintenance and provisioning. Generally, we contract with tier one service providers, which then have the ability to subcontract services to smaller providers. Our major contractors for services on the fixed-line network include Downer EDI, Fulton Hogan, Service Stream, Ventia (Visionstream) and BSA. Most of these contracts have initial terms of two to four years with multiple options for us to extend. Our major contractors on the fixed wireless and satellite networks include Ericsson, Downer EDI, Service Stream, Ventia (Visionstream), Decon, Viasat, Gilat, Optus, and Maxar Space. The terms of these contracts range from two to twenty years.

We operate a field services control tower that is responsible for forecasting, planning, scheduling and dispatching all field activity relating to customer service connections and assurance including customer and network remediation, network assurance as well as field network maintenance, including in relation to aerial matters..

We publish a number of performance measures to track the performance of our field service operation, including the following:

Installed right the first time – measures the percentage of homes and businesses that have their NBN equipment installed without additional work from us the first time the installation is attempted.

Meeting agreed installation times – measures the percentage of premises that we connect to the network within target timeframes.

Meeting agreed fault restoration times – measures the percentage of time we resolve accepted individual service faults within target timeframes.

The following table shows our network's performance on these measures for FY23, FY22 and FY21.

	Year ended 30 June		
2023	**2022**	**2021**	

Installed right first time……	88.3%	87.1%	88.5%
Meeting agreed installation times……	97.9%	97.3%	94.1%
Meeting agreed fault restoration times……	92.2%	87.5%	87.1%

In FY21, the "installed right the first time" and "meeting agreed fault restoration times" performance measures were impacted by the implementation of a new scheduling system that affected our ability to access or secure the services of technicians in some parts of Australia, resulting in delays for some end users receiving a new connection or awaiting a repair in May and June 2021.

In WBA4, we have agreed to a range of rebates to our retail service provider customers if we fail to meet agreed service levels. These include:

- A rebate of A$7.50 per business day for each business day (A$10 per day for each day for "priority assistance" connections) that a connection is delayed beyond the agreed service level, capped at 30 business days (30 days for "priority assistance").

- A rebate of A$15 per business day for each business day (A$20 per day for each day for "priority assistance" connections) that a fault rectification is delayed beyond the agreed service level, capped at 60 business days (60 days for "priority assistance").

- A rebate of A$50 for missed appointments, and A$75 for subsequent missed appointments relating to the same ticket.

Network security and business resilience

As a provider of essential network infrastructure, we face a significant challenge to ensure that our network can operate securely and without interruption. Our network faces a range of threats. In addition to cyber threats such as attacks and intrusion attempts by both state and non-state actors, ransomware, attacks and viruses, our network is also subject to physical threats such as deliberate or accidental damage, as well as power surges and failures, including from lightning and electromagnetic interference (the latter potentially terrestrially in addition to in respect of our satellites). Our network also faces environmental threats such as fires, heatwaves and floods.

We operate an all-hazards converged security model, that is, a model designed to address the physical, information and privacy aspects of security together to secure our critical network assets, people and information. Our security processes include:

- sharing intelligence with national security and law enforcement;

- monitoring and hardening our network and corporate security;

- managing third party vendor security risks; and

- maintaining a strong security risk governance and escalation process.

We have designed business continuity plans and crisis management structures to manage the impact of adverse events. Our continuity plans include disruption response solutions and emergency management structures. We periodically test our plans and structures for effectiveness. We also aim to strengthen the resilience of our network to increasingly extreme environmental conditions, such as flooding in widespread areas of south-east Queensland and parts of New South Wales in February and July 2022 following intense rainfall.

The resilience of our network has met a number of significant challenges, including responding swiftly to widespread outages principally caused by power cuts during extensive bushfires in late 2019 and early 2020 and flood events in 2021 and 2022, as well as the significant increase in demand across the entire network at all times of day as a result of COVID-19.

We have a well-embedded and mature emergency management framework led by a qualified incident controller to manage the preparation, response and recovery to disaster events.

We regularly undertake reviews, training and the conduct of scenario-based desktop exercises and simulations to test response and recovery plans and capabilities in order to enhance preparedness for disruption events. These include internal activities and active participation with industry and government stakeholders.

Telstra relationship

Our relationship with Telstra is extensive, complex, and fundamental to our operations and business Telstra is our largest wholesale customer by a significant margin, and Telstra depends on us to supply services that it needs for a large proportion of its fixed retail customers. Our network depends on infrastructure we lease from Telstra. We engage Telstra to perform a range of services on our network on commercial terms. Telstra also competes with us in certain areas of our business, such as offering end-to-end fixed-line broadband to business end users and 5G wireless broadband, which is potentially competitive with fixed-line residential broadband in some areas.

Telstra has played a critical role in the rollout of the NBN under a suite of long term contracts that we entered into in 2011. We refer to these contracts as our Definitive Agreements with Telstra. At the time we and Telstra initially entered into the Definitive Agreements, government policy was for the fixed-line portion of the NBN to be an FTTP network. Following the change of government in 2013 and the transition to a multi-technology mix, we and Telstra renegotiated the Definitive Agreements, primarily to give us the option of using existing Telstra copper and HFC network assets to make the connection to end user premises.

The scope and complexity of the interactions that are governed by the Definitive Agreements has resulted in an ongoing process of adjustment and refinement to the agreements to reflect operational realities. We believe that our relationship with Telstra is characterised by a high level of professionalism and mutual respect that has resulted from the importance of the relationship to both parties, our common objective of providing high quality services to end users and the cumulative effect of thousands of daily interactions. Nevertheless, the importance of our relationship with Telstra and the terms of the Definitive Agreements give rise to a number of risks to our business. See "*Risk Factors — We depend on key commercial arrangements with Telstra for infrastructure access and the migration of end users to our network*".

We have four main Definitive Agreements with Telstra:

- *Implementation and Interpretation Deed* – This agreement sets out framework provisions and definitions that apply across the suite of documents, as well as provisions relating to the initial implementation of the Definitive Agreements.

- *Subscriber Agreement* – This agreement principally relates to the progressive disconnection of Telstra customers from legacy fixed-line services as the NBN fixed-line network becomes available, Telstra's network preference obligation and our obligation to pay subscriber fees.

- *Infrastructure Services Agreement* – This agreement sets out the terms on which we lease certain Telstra infrastructure and provides for the progressive transfer of Telstra copper and HFC infrastructure.

- *Continuity Agreement* – This agreement primarily contains a range of licences to permit Telstra to continue to provide certain services over the copper and HFC infrastructure it transfers to us.

The main provisions of the Definitive Agreements are as follows:

- *Access to Telstra infrastructure* – We use Telstra-owned network infrastructure including rack spaces in Telstra exchanges, ducts and dark fibre. We pay Telstra quarterly for access to this infrastructure. These payments are adjusted for inflation annually. The Infrastructure Services Agreement contains detailed provisions regarding matters such as planning, co-ordination and service levels. The Infrastructure Services Agreement has an initial term of a minimum of 35 years (which may extend up to 40 years depending on a number of factors including the rollout schedule) and we have the option to extend it for a further two ten-year periods.

- *Transfer of copper and HFC infrastructure and lead-in conduits* – Telstra agrees to progressively transfer copper and HFC network assets, generally on a region-by-region basis as the NBN fixed-

line network rollout progresses. We agree to continue to make these assets available for Telstra to continue to provide services to its customers during the migration period before Telstra services in an area are disconnected. We also agree to reserve spectrum on the HFC network available to carry Foxtel pay television services. Ownership of Telstra lead-in conduits also transfers to us when we use them for the NBN. We make quarterly payments to Telstra for the infrastructure we acquire, calculated by reference to the progress of the network rollout. There are also restrictions on our ability to sell the copper or HFC assets we acquire to another party, particularly another large retail service provider.

- *Disconnection of Telstra services and subscriber costs* – Telstra agrees to disconnect copper services and HFC broadband services in a region within the NBN fixed-line footprint after the end of an 18 month migration period. We pay Telstra a fee, referred to as subscriber cost payments and accounted for in our financial statements as subscriber costs, for each premises disconnected from a relevant Telstra service within the required timeframe.

- *Network preference* – Subject to limited exceptions, such as existing Telstra point to point fibre services and fibre installed by Telstra in accordance with a right of first refusal process with us, until 2032, Telstra must use only the NBN to provide fixed-line carriage services to premises within the NBN fixed-line footprint.

- *Wireless promotion* – Until 2032, Telstra agrees not to promote wireless voice or data service as a substitute for fibre based services where such promotion is misleading or deceptive or likely to mislead or deceive or includes a false or misleading statement that such services are of a particular standard, quality, value or grade or a false or misleading representation concerning the need for such services.

- *Cessation of rollout and slow rollout* – The Definitive Agreements contain a number of provisions designed to protect Telstra if the NBN rollout slows or stops. We are subject to a provision of the Implementation and Interpretation Deed under which Telstra would have the right to terminate the Definitive Agreements and may be entitled to compensation if, prior to the point at which 92% of premises in Australia are passed by our fixed-line network or adequately served by another relevant network, our fixed-line network fails to pass an additional 75,000 premises in any 12 month period or 600,000 premises in any 36 month period. We believe that more than 92% of premises in Australia were either passed by our fixed-line network or adequately served as at 31 December 2022. However, it is difficult to determine with certainty the number of premises in Australia and the number of premises passed by our fixed-line network or that are adequately served by another network (including because there are matters of interpretation and analysis of data from multiple sources). It is possible that Telstra could choose to challenge our conclusion that we have reached the 92% threshold. The Definitive Agreements contain an arrangement that enables us or Telstra to propose to agree the number of premises in Australia or, failing agreement, to seek independent determination of the number. Neither we nor Telstra have initiated this process.

- *Termination* – The Definitive Agreements contain limited rights allowing each party to terminate the Subscriber Agreement and Infrastructure Services Agreement in circumstances such as a fundamental breach or insolvency of the other party. Under the Implementation and Interpretation Deed, Telstra also has the right to terminate the agreements if another provider of retail telecommunications services in Australia is in a position to exercise control of 15% or more of NBN Co (except where that provider has only a small market share in Australia by revenue).

- *Continued operations at the end of the term of the Infrastructure Services Agreement* – Recognising that our infrastructure cannot be easily removed from Telstra's infrastructure at the end of the lease, the Infrastructure Services Agreement contains provisions providing for further agreements on termination to facilitate ongoing operations, depending on the circumstances of the termination.

In 2022, Telstra undertook a corporate restructure to, among other things:

- establish a new holding company for the Telstra Group (New Telstra Corp);

- reorganise the existing Telstra Corporation Limited to own and operate passive or physical infrastructure (InfraCo Fixed); and

- create new subsidiaries to own mobile tower assets (Amplitel) and retail and wholesale businesses and active parts of the network such as radio access network and spectrum assets (ServeCo).

We agreed with Telstra to amend the Definitive Agreements in response to this restructure. The amendments were intended to:

- maintain the status quo in respect of the existing competitive environment between Telstra and us;

- preserve the intended effect of the Definitive Agreements following implementation of the restructure; and

- address some practical and commercial issues arising from the Definitive Agreements, including some issues that needed to be addressed to accommodate the Telstra restructure.

Under the amended agreements:

- Telstra Corporation Limited (which under the restructure is InfraCo Fixed) remains the principal contracting party under the Definitive Agreements, but Telstra Limited (ServeCo) acceded to the principal business protections under the Subscriber Agreement (including the obligation to prefer the NBN network as the fixed-line connection to premises, the non-alignment dispute mechanism, and the obligation to progressively disconnect Telstra's copper and HFC broadband networks);

- Telstra was required to procure that Telstra Group Limited (New Telstra Corp) gave us financial guarantees of InfraCo Fixed's and ServeCo's obligations under the amended Definitive Agreements. New Telstra Corp's total liability to us under the financial guarantees in respect of InfraCo Fixed's or ServeCo's conduct under the Subscriber Agreement will not exceed A$2.5 billion, and in respect of InfraCo Fixed's conduct under the Infrastructure Services Agreement will not exceed A$2.5 billion; and

- New Telstra Corp will have freedom in the future to undertake, following prior consultation with us but without requiring our consent, a transaction involving:

    - the disposal of securities in InfraCo Fixed;

    - an issue of new securities by InfraCo Fixed;

    - a demerger of InfraCo Fixed from the Telstra Group; or

    - a public offer (IPO) of InfraCo Fixed,

    provided:

    - in the first two cases above, the acquirer or subscriber of the securities under the transaction is an eligible investor and New Telstra Corp retains control of InfraCo Fixed;

    - in the case of a demerger, it is a full demerger or, if it is not a full demerger, New Telstra Corp retains control of the demerged InfraCo Fixed. In addition, if ASX is unwilling to allow restrictions on transfers and issues of securities in InfraCo Fixed after a partial demerger which are equivalent to those which apply pre partial demerger, New Telstra Corp must retain at least a 57.6% shareholding and economic interest in InfraCo Fixed following the partial demerger; or

    - in the case of a public offer, New Telstra Corp retains control of InfraCo Fixed and, in addition, any subscriber of the securities who increases their interest in InfraCo Fixed and holds a 10% or greater interest in InfraCo Fixed as a result of the offer must be an eligible investor. In addition, if ASX is unwilling to allow restrictions on transfers and issues of securities in InfraCo Fixed after listing which are equivalent to those which apply pre listing,

New Telstra Corp must retain at least a 57.6% shareholding and economic interest in InfraCo Fixed following a public offer.

An eligible investor for this purpose is a wholesale investor domiciled in a country that is a member of the "Five Eyes" intelligence alliance (comprising Australia, Canada, New Zealand, the United Kingdom and the United States) and who meets certain other requirements including relating to asset size, and business type (notably, that person cannot be a carrier or carriage service provider as defined in the Telecommunications Act).

The Definitive Agreements represent our largest source of individual assets and expenses. You should refer to Note F1 to our audited financial statements for FY23 for further information on the accounting implications of these agreements.

Intellectual property

We use a range of intellectual property in our business, including trademarks, domain names, designs, trade secrets, confidential information and certain proprietary technology we have developed, including software and other proprietary technological know-how. We protect this intellectual property through a range of means, including registering intellectual property such as trademarks and domain names where available and a variety of confidentiality and non-disclosure agreements with employees, contractors and third parties. Despite our efforts to protect our proprietary technology and information through these efforts, unauthorised parties may still copy or otherwise obtain and misuse our intellectual property. We also license a wide range of technology and associated intellectual property from third parties. Managing these technology and intellectual assets, including ensuring we have current licences and managing our use of these assets requires considerable attention and resources.

Employees

As at 30 June 2023, we had a workforce of approximately 4,475 full-time equivalent employees and temporary contractors. Substantially all of our employees are located in Australia.

The following table summarises the composition of our full-time equivalent employees and temporary contractors by category.

Function	Total
Corporate Affairs and Office of the CEO	79.8
Customer Products & Marketing	275.0
Finance	283.6
Legal & Regulatory	76.5
Network Engineering & Security	891.2
Operations	1694.2
People & Culture	102.5
Regional Development and Engagement	267.5
Systems Engineering & Operations	581.3
Strategic Services Group	198.6
Graduates	25.0
Total	4475.4

Note:
Figures may not sum to total due to rounding.

We seek to create an environment that attracts and retains the right talent to deliver our strategic objectives and purpose. We are committed to creating and maintaining a great place to work and providing a safe and inclusive working environment for all employees. We are also committed to the promotion of diversity and inclusion among our people in the workplace and in the community. We have targets and/or programmes to provide diversity and inclusion through gender equality, accessibility, cultural diversity, LGBTI+ pride and reconciliation with first peoples. We have a target of increasing female representation by women in management roles to 40% by 2025. As at 30 June 2023, we achieved 34.3% female representation in management roles.

Trade unions represent a portion of our workforce, principally the Communications, Electrical & Plumbing Union for technical staff and the Association of Professional Engineers, Scientists and Managers, Australia for professional staff. We do not track union membership, nor do we deduct union fees from our

payroll. We are party to two Enterprise Bargaining Agreements with trade unions. Covered employees receive the benefit of these agreements whether they are union members or not. The agreements are:

- the *NBN Enterprise Agreement 2022-2025*, which covers clerical, contact centre and technical employees. The agreement came into operation in April 2022 and expires in April 2025; and

- the *NBN Professional Employees Agreement 2022-2025*, which came into operation in July 2022 and expires in July 2025;

Our relationships with the unions representing our employees are generally constructive and our relationship with our employees is generally positive, evidenced by an employee engagement score of 78% in our FY23 annual employee engagement survey.

Health and safety

The health and safety of our employees and contractors is our first priority. Our first-line management and staff are responsible for identifying, assessing and managing their operational risks, including those related to health and safety. Our People and Culture Safety and Wellbeing team, as a second-line risk management function, works with and supports our broader business and our partners to manage health and safety risks, through the provision of strategy, processes, systems, advice, assurance and programmes. This aims to:

- enhance the physical health and mental wellbeing of our people; and

- ensure the safety of everyone every day and the safety of our network and associated infrastructure.

Our Health, Safety and Environment, or HSE, Policy describes our approach to achieving safe workplaces and is operationalised through an integrated HSE Management System. In FY21, we transitioned the certification of our HSE management system to ISO 45001: Occupational Health and Safety Management Systems.

We monitor lead and lag metrics against thresholds and aligned with the enterprise risk appetite statements. Our key performance indicators include:

- promoting leadership interactions to foster engagement and continuous improvement;

- reducing our total recordable injury frequency rate, or TRIFR, for employees and contractors over time;

- decreasing the frequency of HSE incidents with the potential to cause serious harm to people over time;

- adhering to and applying the HSE Critical Risk Controls by employees and contractors;

- closing actions from health and safety incidents, hazards and audits in an appropriate and reasonable timeframe;

- scores on employee engagement;

- our employee assistance program utilisation rates and employees' access to support programs.

In FY23, we experienced slight increases in TRIFR for employees and contractors combined and in the frequency of incidents with the potential to cause serious harm compared to FY22. Injury trends were similar to previous years, with musculoskeletal injuries, fractures and lacerations continuing to be the most common types of injuries.

The following table shows our performance in TRFIR and frequency of HSE incidents with the potential to cause serious harm in FY23, FY22 and FY21 for employees and contractors combined. Further, in

FY22, FY21 and FY20, there were no serious harm HSE incidents resulting in a fatality or permanent disabling injury.

	TRIFR[(1)]	Frequency of HSE incidents with the potential to cause serious harm[(2)]
FY23	2.36	0.7
FY22	2.34	0.6
FY21	2.17	0.7

Notes:

(1) Total recordable injury frequency rate, or TRIFR, is the total number of recordable injuries per million hours worked. This includes work-related fatalities and permanent disability injury/illness and work-related injuries or illnesses resulting in lost time, restricted work injury and medical treatment. It does not include any first aid injury or illness. Further, a person authorised by NBN Co reviews each incident and its associated facts to determine whether an incident should be classified as a reportable work related injury. As a consequence of this review, incidents such as animal bites or those occurring on the journey to or from home premises may be excluded from reportable injuries.

(2) Total number of potential serious harm HSE incidents per million hours worked, including incidents with a potential consequence rated as "severe" but excluding incidents with an actual severe consequence. Serious harm HSE incidents are those resulting in a severe consequence such as a fatality or permanent disabling injury.

Sustainability approach and program of work

Our sustainability approach recognises that both social and environmental themes are interdependent, act as a system, and are both enabled and controlled by governance. Taking action on Environmental, Social and Governance (ESG) themes creates and protects value for us and our stakeholders. Our sustainability approach is underpinned by an evidence-based, risk management approach, including materiality assessment, alignment to the latest climate science and international standards and frameworks. The Sustainability Sub-Committee of our Executive Committee, consisting of six members, oversees the implementation of the sustainability program of work. In FY23, the committee met quarterly and supported the integration of sustainability into business processes and programs. The Sustainability Sub-Committee reports to the Board regularly. The role of the Board is to oversee and monitor the effectiveness of our sustainability governance framework, strategy and associated actions; management of material social and environmental risks, issues and opportunities and associated reporting and disclosure requirements.

The four governance levers within our sustainability approach are sustainability governance, sustainable finance, culture and capability and collaborative partnerships. These enable and control action on our social and environmental focus areas. In FY23, we developed a new sustainability governance framework to underpin the implementation of our sustainability strategy by outlining the arrangements for these four levers, supporting accountability for action, performance monitoring and reporting, and strengthening relationships between internal and external stakeholders.

The following table outlines the progress we made in FY23 against our sustainability program of work for FY23 and FY24.

Theme	Objective	FY23 outcomes
Environment	Operate a resilient, resource efficient network and business aligned with the latest climate science, which protects the natural environment	• Near-term science-based emissions reductions targets validated by the SBTi • Committed to long-term greenhouse gas emissions (GHG) reduction targets and achieving net-zero emissions by 2050, or sooner, via the SBTi • Signed a 6-year renewable power purchase agreement for a wind farm in Victoria for 90 GWh per annum, commencing from 2025 • Signed a 10-year renewable power purchase agreement for a solar farm in Queensland for 60 GWh per annum, commencing from 2025 • Construction was completed for the solar farm in NSW, where we have signed a 10-

		year renewable power purchase agreement for 90 GWh per annum • Ongoing development of our climate transition plan • Further strengthened the network to increase resilience through deployment of temporary network infrastructure (TNI) • Raising a EUR1.35 billion green bond
Social	Enhance and protect social value by lifting the digital capability of Australia and enabling equity across our value chain	• Released our second accessibility and inclusion plan in May 2023 • Released our fifth Reconciliation Action Plan (RAP) in May 2023 • Student School Broadband Initiative launched in February 2023 • Expanded supply chain due diligence activities, specialised internal training and engagement with strategic suppliers on modern slavery • Commenced development of a social value framework
Governance	Manage our environmental and social risks, opportunities and issues through sustainability governance, sustainable finance, maturing our culture and capability and collaborative partnerships	• Board charter updated in December 2022 to reflect sustainability responsibilities • Sustainability governance framework established • Continued transition to integrated reporting, with additional ESG metrics subject to limited assurance • First Carbon Disclosure Project (CDP) report submitted in September 2022 • First Sustainability Bond Report (i.e., impact report supporting NBN Co's first green bond) issued in February 2023

Environmental protection

Our operations have the potential to affect the natural and built environment, and we are subject to a variety of laws and regulations that require us to minimise our environmental impact, remediate damage and maintain a variety of licences and permits.

Through our integrated environment management system and processes, which are certified to ISO 14001: Environment Management (published by the International Organization for Standardization as a framework that a company or organization can follow to set up an effective environmental management system), we are committed to implementing principles that include:

- establishing targets to reduce our environmental impact;
- adopting ecologically sustainable development principles; and

- protecting and managing heritage, including places and objects of cultural heritage significance to Aboriginal and Torres Strait Islander peoples.

We aim to preserve and minimise our impact on the natural environment, reduce our overall energy consumption and waste to landfill, and preserve sites of cultural heritage significance.

We recognise Aboriginal peoples and Torres Strait Islander peoples as the primary guardians and knowledge holders of their respective cultural heritage. When accessing new or sensitive areas, we work with traditional owner groups and recognised parties in order to minimise the risk of damage to sites of cultural significance.

We have lead and lag metrics tracked against targets to measure environmental performance and help ensure that:

- there is progress in delivering the programme of initiatives to achieve our carbon emissions reduction target;

- the amount of waste from our facilities that is recycled increases over time;

- the frequency of incidents with the potential to cause serious harm to the environment decreases over time; and

- actions from environmental incidents, hazards and audits are closed in an appropriate and reasonable timeframe.

We recorded 16 minor environmental incidents during FY23. During FY23 and FY22, we did not receive any official cautions or prosecutions under any environmental or cultural regulations. However, in FY22 we received a A$1,500 penalty infringement notice from the New South Wales Department of Planning and Environment in relation to obligations under the *National Parks and Wildlife Act 1974* (NSW). The most common types of incidents in FY23 and FY22 related to minor pollution events and waste mishandling during network construction and maintenance activities.

Climate change mitigation and adaptation

As a critical infrastructure owner and operator, we recognise the inherent risks climate change poses to our operations, network continuity and service obligations.

We regard our greenhouse gas emissions and climate change as material environmental issues. We are committed to addressing our carbon footprint, and understanding and proactively managing the impact of climate-related risks (such as increased frequency of extreme weather events).

In FY22, we completed our first companywide climate change risk assessment. This assessed how we may be affected by climate-related impacts, identified the most significant risks and opportunities, and provided an action plan with proposed metrics and targets covering both the physical and transition risks of climate change. Following the climate change risk assessment, we have integrated climate change risks and opportunities into our risk management approach, with climate change recognised as a material business risk.

In response to the climate change risk assessment, we are developing a climate transition plan to enable strategic planning, implementation and engagement on climate mitigation and adaptation. We expect our climate transition plan will address areas including:

Network

- Deploying more fibre to neighbourhoods, which will enable homes and businesses to replace their copper connection, reducing our energy demand;

- Implementing projects that reduce annual energy use by 25 GWh by December 2025;

- A target of purchasing 100 per cent renewable electricity from December 2025; and
- Using electric or hybrid vehicles, where suitably available, by 2030.

Customers

- Improving the energy efficiency of devices used by customers to access our network.

Communities and partners

- Engaging and partnering with suppliers to set science-based emission reductions targets; and
- Enabling emission reductions through our network.

We have committed to long-term greenhouse gas emissions (GHG) reduction targets and achieving net-zero emissions by 2050, or sooner, via the Science Based Targets initiative (SBTi). Our long-term greenhouse gas emissions reduction targets will be consistent with meeting and exceeding the Government's commitment to net-zero emissions by 2050. We expect to submit our long-term emissions reduction targets to the SBTi for approval and validation in the near future. We have also set the following near-term science-based targets, which have been validated by the SBTi.

Emissions scope	Target(s)
Scope 1 & 2 – Direct (Fuel/electricity emissions)	We are targeting reducing absolute scope 1 and 2 GHG emissions by 95 per cent by FY30, from a FY21 base year.
Scope 3 – Supplier (Supply chain emissions)	We are targeting that 80 per cent of our suppliers by spend, covering purchased goods and services, capital goods and downstream transportation and distribution, will have science-based targets by FY27.
Scope 3 – Customer (Use of product emissions)	We are targeting reducing scope 3 GHG emissions arising from the use of sold NBN Co products by 60 per cent per device by FY30, from a FY21 base year.

We have taken a number of actions towards these goals, including executing three power purchase agreements for renewable energy, engaging with suppliers (57% by spend of which had science-based emissions reduction targets at 30 June 2023) and various network upgrades to move to higher capacity, lower footprint equipment.

The following table shows our performance on key climate change indicators from FY21 to FY23.

Indicator	Unit of measure	FY23	FY22	FY21
Total energy consumed (operational control)[1]	GJ	1,487,169	1,507,698	1,515,814
Scope 1 GHG emissions (operational control)[1]	ktCO2-e	4	4	4
Scope 2 GHG emissions (operational control – location-based)[1]	ktCO2-e	278	315	325
Total scope 1 and 2 emissions (operational control: location-based)[1]	ktCO2-e	282	319	329
Scope 2 GHG emissions (financial control: market-based)[1]	ktCO2-e	239	272	285
Total of selected scope 3 emissions (financial control)[1, 2]	ktCO2-e	1,177	1,305	1,332
Energy intensity (financial control)[1, 3]	kWh/TB	8.25	9.07	11.42
Emissions intensity (financial control: market-based)[1, 3]	kgCO2-e/TB	5.59	6.88	8.87
Contracted renewable energy	GWh	239	80	80
Renewable energy purchases[4]	% of total purchases	18.8%	18.5%	18.9%

Notes:

(1) Further information about our calculation methodology is available in our Sustainability Data Book for FY23.

(2) Scope 3 FY22 GHG emissions are adjusted in accordance with our calculation methodology (refer to note (1) above). FY21 result has not been subject to limited assurance..

(3) FY21 and FY22 figures have been adjusted to align with NBN Co's calculation methodology (refer to footnote (1)).

(4) Renewable energy purchases are estimates and include Clean Energy Regulator's renewable energy target.

Legal proceedings

We are involved in litigation and administrative proceedings arising in the ordinary course of our business. We do not believe that such matters, if determined against us, will have a material adverse effect on our business, financial position or results of operations.

REGULATION

Regulation is an important factor in the way we operate our business. We are particularly affected by laws and regulations that govern the terms on which we offer our services, the prices we can charge and the range of activities we are permitted to undertake.

In 2011, the Australian Parliament passed the National Broadband Network Companies Act 2011 (Cth), which, together with related amendments to the Telecommunications Act 1997 (Cth) and the Competition and Consumer Act 2010 (Cth), established the regulatory framework that governs our operations and interaction with the market. The ACCC is the primary regulator of our services and network, and has a range of significant powers under the Competition and Consumer Act 2010 (Cth) to monitor our business, impose additional regulation, and inquire into aspects of our business and compliance, either on its own initiative or at the request of retail service providers and other market participants. On 13 December 2013, the ACCC accepted our Special Access Undertaking, or SAU, which forms a substantial component of the existing regulatory framework, including provisions governing pricing and access. Additional policy and legislative instruments support these frameworks, including with regard to consumer protection.

The National Broadband Network Companies Act 2011

The National Broadband Network Companies Act 2011 (Cth) ("NBN Companies Act") establishes the regulatory framework covering our ownership and operations. It requires us to operate primarily as a wholesale-only company, and constrains the scope of our commercial and operational activities. The NBN Companies Act also outlines a sequence of events that must occur before the Australian government as shareholder can commence a privatisation sale process; private ownership and control rules we must comply with; and reporting obligations that may apply if we become majority-owned but not wholly-owned by the Australian government.

Permitted activities

The scope of our commercial and operational activities is subject to constraints under the NBN Companies Act, which is designed to ensure we remain focused on being a wholesale provider of regulated telecommunication services and network access services relating to the NBN. Under the NBN Companies Act:

- *We may only supply our regulated "eligible" services to carriers and service providers*. Subject to limited exceptions permitting us to provide services directly to certain utility service providers, we are limited to supplying our carriage services and services which facilitate the supply of carriage services (together, "eligible services") to "carriers" (licensed operators that generally own network units) and "service providers", which include telecommunications carriage service providers and content service providers. This effectively limits us to providing eligible services on a wholesale basis to other participants in the telecommunications market.

- *We are prohibited from supplying content services.* Content services in this regard includes broadcasting services for television and radio, online information services, online entertainment services (such as video on demand and interactive gaming services), any other online services (such as education services provided by a State or Territory government), and any other content service that may be specified by determination made by the Minister for Communications.

- *We are prohibited from supplying non-communications services that are not for use in connection with the supply or prospective supply of our regulated wholesale eligible services*. Non-communications services are services that do not involve the supply, or are not ancillary or incidental to the supply, of our regulated wholesale eligible services. We are able to supply services which are ancillary or incidental to our supply of regulated wholesale eligible services, such as facilities access services, access to our operational and business support systems, providing NBN rollout information, installing equipment relating to the NBN, and migrating end users to the NBN and minor services necessary in the conduct of a business. We are also able to provide access to our intellectual property rights and an advisory or consulting service, but only if it relates to the supply of an eligible service, goods for use in connection with the supply of an eligible service, or certain telecommunications facilities. These restrictions are designed to ensure we remain focused on our core business of providing next generation wholesale broadband services.

- *We are prohibited from supplying goods that are not for use in connection with our supply or prospective supply of our regulated wholesale eligible services.* Exceptions apply for goods that were not acquired for the purpose of supplying them or that are excess to our requirements.

- *We are required to provide access to emergency service providers (and any other persons that may be specified by the Minister for Communications) to our telecommunications transmission towers and sites on a non-discriminatory basis to install, maintain, operate or remove equipment, and supply goods (including electricity) to such persons that are incidental to the giving of that access*. However, we are exempt from providing such access if it: would prevent us from reserving sufficient space for us to meet our own equipment installation requirements, such access is not technically feasible, such access deprives another person from fulfilling a contractual right, or such access is prohibited pursuant to a ministerial determination.

- *We are subject to certain investment activity restrictions.* We are not permitted to invest money except in specific circumstances. Those circumstances include where the investment is related to our supply of regulated wholesale eligible services, or related to the supply of goods which are for use in connection with our supply of such services. Those circumstances also include where the investment is in the shares of a company where the company carries on, proposes to carry on, or has the object of carrying on, a business that consists of or includes the supply of a carriage service. Similarly, we can also invest in securities of, or securities guaranteed by, the Commonwealth of Australia or an Australian State or Territory. We can also make deposits with banks, and any other form of investment prescribed by rules made for the purpose of subparagraph 58(8)(a)(iii) of the Public Governance, Performance and Accountability Act 2013 (Cth) (noting this section deals with investments made by the Commonwealth of Australia).

The Minister for Communications may also impose a condition on our carrier licence, requiring us to supply an eligible service or prohibiting us from supplying a specified carriage service.

Commonwealth direction

The NBN Companies Act gives our Shareholder Ministers a range of powers to direct us to make certain changes to our structure or the composition of our assets. The Shareholder Ministers have the power to direct us in writing to dispose of one or more of our assets (to a party other than an NBN corporation), or to transfer one or more of our assets to another NBN corporation. An NBN corporation is any other company over which we are in a position to exercise control.

The NBN Companies Act also gives our Shareholder Ministers powers to require us to functionally separate parts of our business if they make a determination to do so after having followed a process outlined in the NBN Companies Act. The Shareholder Ministers have not initiated any process to exercise these powers.

Notifying the Shareholder Ministers of significant events

If and for so long as we are majority-owned but not wholly-owned by the Australian government, the NBN Companies Act requires members of our board to immediately give to our Shareholder Ministers written particulars of any proposal we have to engage in specified events, including to form a company, to participate in a significant partnership, trust or unincorporated join venture, to acquire or dispose of a significant business, or to commence or cease a significant business activity. These duties sit alongside duties to keep the Shareholder Ministers informed under section 91 of the PGPA Act. See “Relationship with the Australian government” for further information.

The NBN Companies Act also gives our Shareholder Ministers the power to exempt the members of our board from notifying them of our proposals to form a company or participate in the formation of a company. To date, our Shareholder Ministers have not exercised this power.

Commonwealth ownership and privatisation

The NBN Companies Act requires us to be owned and controlled by the Commonwealth of Australia until stipulated events have occurred. The events that must occur before the Australian government as shareholder can commence a sale process to be privatised are:

- the Minister for Communications declaring that, in his or her opinion, the NBN should be treated as built and fully operational;

- the Productivity Commission, a statutory body whose role is to advise the Australian government on economic and regulatory matters, undertakes an inquiry in respect of specified matters and the report is tabled in Parliament;

- the Parliamentary Joint Committee on the Ownership of NBN Co examining, and reporting to Parliament, on the Productivity Commission's report;

- the Minister for Finance declaring that, in his or her opinion, conditions are suitable for entering into and carrying out of an NBN Co sale scheme (a scheme could comprise various matters, including selling all or part of us or our assets); and

- following the occurrence of the events noted above, a privatisation process can be executed.

On 11 December 2020, the then Minister for Communications declared that, in his opinion, our network should be treated as built and fully operational. None of the other stipulated events has yet occurred. In making the declaration, the Minister also noted that each of the remaining steps would take significant time.

If we are privatised, we may be subject to ownership limitations. If we cease to be a wholly-owned Commonwealth company, but the Australian government retains a majority interest, we would continue to have significant ongoing obligations to report our activities, plans and results to the government, and the government would continue to control who was appointed to our board. Following the election in May 2022, the government has stated that it will retain NBN Co in public ownership for the foreseeable future.

Access Regime - Part XIC of the Competition and Consumer Act 2010 (Cth)

As an owner and operator of bottleneck infrastructure, we are subject to a complex regulatory regime that is designed to ensure that telecommunications companies that need to use our network to provide services to end users are able to do so on terms that are non-discriminatory and economically efficient.

Part XIC of the Competition and Consumer Act 2010 (Cth) ("CCA") establishes a telecommunications access regime administered by the ACCC. The objective of Part XIC of the CCA is to promote the long-term interests of end users through promoting competition, any-to-any connectivity, and efficient investment in, and use of, infrastructure by which carriage services and services provided by means of carriage services are supplied. Regulated access ensures the services we provide which have been designated as declared services under Part XIC will be provided to access seekers to enable them to provide services to end users. The key elements of Part XIC of the CCA that govern access to our regulated wholesale eligible services and network are as follows.

We must comply with applicable Standard Access Obligations known as Category B Standard Access Obligations (SAOs) in relation to the provision of our services that are regulated under Part XIC of the CCA. Under Part XIC of the CCA, we may supply carriage services and services which facilitate the supply of carriage services (together, '"eligible services") if they are designated as "declared services" under Part XIC of the CCA. This can occur in one of three ways:

- an ACCC declaration of service following a public inquiry;

- for services covered by an SAU, once the SAU is accepted by the ACCC and comes into operation; or

- if we publish a Standard Form of Access Agreement, or SFAA, on our website.

The services and access we provide over our FTTP, fixed wireless and satellite networks are declared services pursuant to our SAU, accepted by the ACCC in December 2013, and our WBA. The services we provide in connection with FTTN, FTTB, FTTC, HFC and other technologies (including Layer 3 services) that fall outside the scope of the SAU are declared services as a result of us publishing an SFAA on our website

either in the form of our wholesale broadband agreement, or WBA, or, in certain other cases, separate access arrangements.

Compliance with the SAOs requires us, on request of an access seeker, to:

- supply our declared services;
- provide interconnection to facilities within our network; and
- to the extent that we supply declared services by means of conditional-access customer equipment, supply any service necessary to enable an access seeker to provide carriage and/or content services by means of the declared service.

We must comply with the applicable SAOs in accordance with a hierarchy of different instruments. As the terms on which we comply with the SAOs are contained in one or more of a number of different regulatory instruments, Part XIC of the CCA establishes a hierarchy of those instruments allowing parties to identify which terms and conditions for compliance with the SAOs are applicable, and to resolve any inconsistencies that may arise between applicable terms and conditions in different instruments. The hierarchy of instruments (from highest precedence to lowest) is:

- *Access Agreements* – which are commercial contracts between an access provider (such as us) and an access seeker that sets out the negotiated terms and conditions of supply for an agreed period of time;
- *Special Access Undertaking* – a document given by an access provider (such as us) and accepted by the ACCC comprising terms and conditions on which the access provider agrees to provide access;
- *Binding Rules of Conduct, or BROC* – written rules made by the ACCC where there is an urgent need to make such rules, specifying any or all of the terms and conditions for compliance with any or all of the SAOs, or requiring compliance with any or all of the SAOs in a manner specified in the rules with a maximum duration of 12 months; and
- *Access Determinations* – written determinations made by the ACCC relating to access to declared services after conducting a public inquiry, which may specify terms and conditions for an access provider's compliance with any or all of the SAOs and other terms and conditions of access (the ACCC can also make interim access determinations without a public inquiry).

In practice, the primary means for an access seeker (that is, in most circumstances, a retail telecommunications service provider) to access our declared services is to enter into the Access Agreement that is formed by executing the WBA. See "— Standard Form of Access Agreement and our Wholesale Broadband Agreement" below for more information about the WBA.

Part XIC of the CCA also establishes alternative means by which an access seeker can obtain access to the declared services we supply. These include an access seeker negotiating and agreeing on different terms and conditions to those contained in our WBA (subject to compliance with our non-discrimination obligations), or the access seeker making a request for us to supply our declared services on regulated terms and conditions provided for under the SAU, BROC and/or Access Determinations.

Sections 360U and 360V of the Telecommunications Act 1997 (Cth) empower the Minister for Communications, by legislative instrument, to determine standards and rules to be complied with by statutory infrastructure providers and to set benchmarks that must be met or exceeded in complying with such a standard. A statutory infrastructure provider does not have to comply with a standard or rule to the extent it is inconsistent with an Access Agreement entered into before the commencement of the standard or rule and which has not been varied after the commencement of the standard or rule. Part XIC of the CCA recognises that statutory infrastructure provider standards and rules prevail over all regulatory instruments (such as ACCC Access Determinations, ACCC Binding Rules of Conduct or SAUs) to the extent of any inconsistency.

We must comply with non-discrimination obligations. We are required not to discriminate between access seekers when offering terms and conditions in compliance with, and when complying with, any applicable SAOs, and in carrying on certain activities related to the supply of our declared services. These obligations are known as the non-discrimination obligations. The ACCC published guidelines in relation to the non-discrimination obligations, which cover the approach they take to assessing contraventions of the non-discrimination obligations under Part XIC of the CCA. We are also prohibited from discriminating by favouring our own company in the supply of services or between access seekers in carrying out related activities.

To the extent we do agree on terms and conditions with an access seeker that are different from those set out in a published Standard Form of Access Agreement, these terms and conditions must still comply with our non-discrimination obligations and we are required to submit a statement of differences to the ACCC describing those differences, to ensure transparency of access terms that we offer. The ACCC is also required to maintain and publish a register of statements of differences.

To the extent that we do treat an access seeker differently, and unless any exemptions or authorisations apply, the current ACCC guidelines, published in September 2021,[1] provide that the ACCC will assess whether it considers such conduct to be discriminatory based on two broad criteria:

- whether we provided the access seeker a reasonable opportunity to acquire the same services on the same terms as other access seekers; or

- whether we provided services in a way that impedes access seekers' ability to compete in a relevant telecommunications market.

The CCA permits us to engage in different treatment of access seekers in the supply of our services where we have reasonable grounds to believe that the access seeker is likely to fail to a material extent to comply with the terms and conditions of supply (for example, if the access seeker is not creditworthy). We are also permitted to offer certain differences in respect of our offerings where those differences are needed to achieve uniform national pricing.

The ACCC applies the same general framework in assessing whether we have discriminated between access seekers in carrying out a related activity (except the exemption relating to having reasonable grounds to believe that the access seeker will fail to a material extent to comply with our terms and conditions of supply do not apply). However, the ACCC's assessment is directed at whether we may have discriminated against access seekers in carrying out the related activities.

The ACCC monitors our compliance with the non-discrimination obligations and can take action for contraventions. On 8 October 2019, the ACCC issued us a formal warning in relation to an alleged contravention of the non-discrimination obligations under sections 152BA and 152AXD of the CCA when building business fibre infrastructure and supplying related wholesale business grade NBN services during 2018 and 2019. On the same day, the ACCC accepted an enforceable undertaking we offered to address the ACCC's concerns about alleged discrimination and non-transparency in the supply of wholesale business grade NBN services and related build activities. Access seekers and any other person that has been affected by a contravention of the non-discrimination obligations may take action under the CCA seeking an injunction to restrain us or any other person from engaging in conduct in contravention of these obligations.

A Ministerial pricing determination prevails to the extent of any inconsistency. Division 6 of Part XIC of the CCA empowers the Minister for Communications to, by legislative instrument, make a determination setting out principles dealing with price-related terms and conditions relating to the standard access obligations. The determination is to be known as a "Ministerial pricing determination". Any provision of an access undertaking, SAU, Access Determination or Binding Rule of Conduct that is inconsistent with a Ministerial pricing determination has no effect to the extent of the inconsistency. As at the date of this offering circular, the Minister for Communications has not made a Ministerial pricing determination.

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[1] See the ACCC explanatory material relating to the telecommunications non-discrimination provisions published September 2021, accessible at https://www.accc.gov.au/system/files/2021%20Non-discrimination%20guidelines.pdf.

Our Current Special Access Undertaking

Part XIC of the CCA provides the ACCC with the authority to regulate our services and access to our network under an SAU. The ACCC accepted our SAU in December 2013. Under our current SAU, terms and conditions relating to the SAOs for technologies covered by the SAU sit alongside other detailed provisions providing for (amongst other things):

- the rollout of the NBN;
- further product and service development and launches;
- the withdrawal of product and services;
- caps on our pricing and revenue;
- our commitments to supply offers relating to the services covered by the SAU;
- reporting; and
- dispute resolution management.

Under our current SAU, the ACCC retains reserve powers over:

- the pricing of new products and services (where not already set out in the SAU);
- rebalancing of prices (subject to expected net revenue neutrality on a net present value basis over the period – until 30 June 2040);
- making determinations about whether capital expenditure and operating expenditure meets the rules set out in the SAU so that expenditure may be included in our regulatory cost base and the roll-forward of initial losses during the term of Module 1 and potentially during Module 2, depending on the terms of an applicable replacement module; and
- product withdrawals.

Term

The term of the current SAU is due to expire on 30 June 2040. We are entitled to seek an extension within 12 months of expiry of the current SAU, subject to the ACCC's approval. The SAU can be varied at any time by us providing the ACCC a variation request, which the ACCC will assess whether to accept using the same criteria it used for assessing the original SAU, including a public consultation process. We can also withdraw the SAU by providing at least 12 months' prior written notice to the ACCC. The SAU comprises three modules that have effect over fixed periods:

- Module 0 (covers the entire SAU term, which has effect until 30 June 2040), sets out the background and framework of the SAU. As required by Part XIC of the CCA, it also includes statements that we will comply with the SAOs (including our obligation to maintain the WBA) and terms and conditions of the SAU in respect of our scope of services covered by the SAU;
- Module 1 (covers the initial regulatory period through 30 June 2023), sets out the regulatory arrangements and our commitments in relation to the provision of access to the services covered by the SAU; and
- Module 2 (covers the subsequent regulatory period from 1 July 2023 to 30 June 2040), sets out long-term regulatory principles that apply in connection with services covered by the SAU.

The SAU provides a framework by which, within the subsequent regulatory period covered by Module 2 of the SAU, the specific implementation of the Module 2 principles can be set according to

"replacement modules" of the SAU. The current SAU requires us to develop and lodge these replacement modules as variations to the SAU. The SAU provides for us to nominate the length of each replacement module, which may be a period of three, four or five years. Each replacement module will specify detailed terms of key elements of the SAU, such as the calculation of our regulatory cost base on a forward-looking basis and our forecasts of expenditure and regulated revenue, consistent with principles set out in the SAU. These replacement modules are subject to ACCC assessment and approval. The SAU confers the power for the ACCC to make a replacement module determination should they not accept our replacement module application.

We are in the process of seeking a variation to our SAU. After submitting and then withdrawing two previous proposed SAU variations, we submitted our latest proposed SAU variation on 14 August 2023. If accepted by the ACCC, our revised SAU variation will:

- include services provided over FTTN, FTTC, FTTB and HFC networks within the scope of the SAU;
- provide that the term of the SAU would expire earlier than 30 June 2040 in the event that the Australian government ceases to own 50% or more of our shares;
- establish new pricing constructs for our mass-market services provided to residential and small-business customers, providing greater certainty to retail service providers;
- establish new price controls (comprising a weighted average price control, sub-caps and a price relativity restriction) for the new pricing constructs which reflect the shift from more variable pricing that was based on usage to ones in which a significant proportion of our wholesale charges are fixed;
- constitute the first replacement module of the SAU, and implement other commitments applying in the first regulatory cycle of the varied SAU (FY24-FY26);
- establish differential regulation of "competitive" service (e.g. those supplied to large businesses) and "core" services (mass-market services) under the SAU, including that any regulated revenue caps and price controls would only apply to our core services;
- amend to the framework for assessing our prudent and efficient costs;
- introduce additional functions and powers for the ACCC;
- limit the total amount and rate of recovery of the ICRA; and
- include additional commitments by us in relation to our service standards.

See "—Variation of the SAU" for more information.

Access to declared services

The current SAU sets out certain key terms on which we must provide access to our FTTP, fixed wireless and satellite services, including pricing, as well as the ancillary services that we provide in support of those services. It also covers facilities access services that we offer to access seekers to satisfy our interconnection obligations under the CCA in relation to the NBN access services we provide and ancillary services provided in support.

Pricing and revenue caps

The current SAU contains detailed provisions relating to the way we set our prices for the services covered by the SAU, and establishes a foundation on which we negotiate commercial arrangements with access seekers. Under the current SAU, there are two mechanisms that may, in future, limit the amounts we charge for the services covered by the SAU. These mechanisms will be subject to significant amendment in the SAU variation lodged with the ACCC in August 2023 (as outlined above), if the SAU variation is accepted by the ACCC.

First, the current SAU sets out maximum regulated prices, or MRPs, for each of our services and network installation and activation charges that the SAU covers (that is, FTTP, fixed wireless and satellite). We are currently able to increase the MRP each year by up to CPI minus 1.5%, but if we do not do so, the unused rights to increase our regulated price do not accumulate across years. We have not increased the MRP for our services under these provisions. We are not required to reduce our prices if CPI is less than 1.5% in any year.

The current SAU also describes the process for how the MRPs are to be regulated and adjusted over time for certain events such as ACCC decisions made pursuant to mandatory price reviews, and separately, changes to our tax liability. These provisions have not been used to date. The current SAU also requires us to annually review the price of each TC-4 CVC offer with a view to reducing the price as aggregate demand for that offer increases, but does not require us to implement such price reductions.

Second, the amount of revenue we are permitted to earn annually across all the networks owned and operated by us is subject to a cap known as the annual building block revenue requirement, or ABBRR, which is calculated using the long term revenue constraint methodology, or LTRCM. The LTRCM provides a formula for the ACCC to calculate, and make annual determinations in respect of, the ABBRR (that is, our total regulated revenue), our regulatory asset base, or RAB, and our "initial cost recovery account", or ICRA, which is an account for accumulating initial unrecovered costs, which may be recovered at a later time during the SAU term. The cap on our revenues imposed by the ABBRR does not act to limit us in the amount of revenue we can recover in any given year until we recover the ICRA, which accrues at the regulated rate of return until costs have been fully recovered. The ABBRR is calculated annually using a building block model approach based on the return generated by our regulatory asset base, capital expenditure, operating expenditure and depreciation. The SAU contains detailed provisions to determine whether items of capital expenditure count towards our regulatory asset base, noting that our costs must meet a prudent cost condition and prudent design condition, intended to only capture costs we incur in connection with the design, engineering and construction of all relevant regulated assets incurred under a conforming contract. The SAU also contains provisions to determine whether items of operating expenditure should count towards our ABBRR. During the Module 1 regulatory period, calculation of the ABBRR is based on actual prudently incurred operating expenditure and capital expenditure. Under Module 2 of the current SAU, ABBRR will be based on forecast operating expenditure and forecast capital expenditure.

The following tables set out our historical ABBRR, ICRA and RAB balances for FY09 to FY22.[2]

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
	(A$ in thousands)							
ABBRR	139	82,255	335,551	599,568	1,017,657	1,686,301	2,218,490	3,198,728
ICRA ending balance	139	82,407	425,296	1,060,024	2,129,857	3,905,948	6,243,728	9,428,175
Other key inputs:								
Nominal RAB[(1)]	—	—	7,601	261,506	700,852	1,574,878	2,901,139	4,818,889
Nominal rate of return	10.2%	9.2%	8.9%	8.7%	6.5%	7.1%	7.2%	6.5%

Notes:
(1) Figures present the opening value of RAB for each FY.

	FY17	FY18	FY19	FY20	FY21	FY22
	(A$ in thousands)					
ABBRR	5,057,117	6,563,574	7,671,752	9,170,768	7,353,283	6,219,647
ICRA ending balance	14,014,956	19,405,530	25,458,678	32,038,694	36,183,087	39,078,007
Other key inputs:						
Nominal RAB[(1)]	8,944,763	14,369,643	19,379,004	23,330,671	27,345,750	28,737,716
Nominal rate of return	5.6%	5.9%	6.2%	4.9%	4.4%	5.0%

Notes:
(1) Figures present the opening value of RAB for each FY.

Historically, our ABBRR has exceeded our revenue, which has contributed to the increasing ICRA balance. Note, however, that our costs over recent years have included substantial subscriber payments to

[2] Data sourced from regulatory information we provide to ACCC as part of the 2021-22 LTRCM Determination process. Data for FY23 will not be available until November 2023 when the ACCC publishes updated values based on information we provide in accordance with our annual reporting process.

Telstra and Optus, which peaked in FY20 and which we expect to cease in FY23, and which has led to the reduction in the ABBRR calculated for FY21 and FY22.

The ACCC must have regard to certain specified factors in making decisions relating to the calculation of our regulatory asset base, including network design rules and our compliance with procurement rules. The ACCC can also determine if a substitute amount of capital expenditure should apply in certain cases. The SAU also describes how we will be given the opportunity to earn revenue to recover our initial unrecovered losses (accrued when our actual revenue is less than our allowed regulatory revenue), including a rate of return on accumulated initial losses. We are required to submit information annually to the ACCC to enable it to calculate, and make determinations in respect of, our regulatory asset base, the ABBRR, and the costs we are entitled to recover.

To date, the annual revenue we would be permitted to earn under the LTRCM has significantly exceeded our actual revenues. Given the amount of our initial cost recovery account, or ICRA, under the terms of the current SAU, we do not anticipate that the LTRCM will constrain the revenue we are able to earn from the market in the foreseeable future.

However, as part of the SAU variation that we lodged on 14 August 2023, we expect there will be a number of material changes to the arrangements described above. As noted above, in Module 2 of the SAU, forecasts of our operating and capital expenditure will be used to establish a forecast of our ABBRR in future regulatory periods of 3 to 5 years. To address ACCC concerns in relation to the size (and likely future trajectory) of the ICRA, the revised SAU would limit the maximum amount of ICRA to be recovered within the remaining term of the SAU (i.e. to 30 June 2040) to A$12.5 billion, to be indexed annually for inflation. A portion of this amount would be added to the forecast core services ABBRR to establish annual price increase allowance for the basket of core regulated service prices under the WAPC. We are seeking to ensure that, over the remaining term of the SAU, the amount of ICRA able to be recovered will, whilst avoiding price shocks, provide us with a reasonable opportunity to transition to, in the shortest practicable timeframe, and maintain, a position where we satisfy quantitative financial metrics consistent with a stand-alone investment grade credit rating.

Standard Form of Access Agreement and our Wholesale Broadband Agreement

We are prohibited by legislation from supplying certain regulated services ("eligible services") unless we have published an SFAA in relation to the service or other circumstances are met. The WBA is our principal SFAA, and we publish it on our website. Publishing a SFAA on our website has the effect of declaring the services to which the SFAA relates. The WBA covers both the services that are covered by the SAU and our other wholesale broadband services, including those delivered through FTTN, FTTB, FTTC and HFC. We also publish SFAAs in relation to certain other services.

We are required to enter into an Access Agreement for wholesale broadband services at the request of an access seeker on the terms and conditions as set out in the published WBA, thereby providing an access seeker access to these services in compliance with applicable SAOs. An Access Agreement executed on the same terms and conditions as the WBA is a commercial contract between us and access seekers, and includes detailed commercial and operational terms, including provisions relating to pricing, billing, product specifications, service levels, operational procedures, intellectual property and liability. Each party to an executed version of the WBA is subject to a yearly liability cap of A$200 million where the yearly nominated billings amount is A$200 million or greater (otherwise the cap is equal to the yearly nominated billing amount; or if the yearly nominated billing amount is less than $5 million, then $5 million) for direct losses arising from or in connection with that agreement. However, this liability cap does not apply to commercial rebates (including connection rebates, service fault rebates and enhanced fault rebates), customer service guarantee compensation, and other cases such as negligent or wilful acts that cause or contribute to death or personal injury or damage to tangible property. The WBA also contains an indemnity designed to shield us from third party claims for economic losses resulting from a network failure.

We engage retail service providers periodically in a consultation process to develop the terms of each new WBA. The current version of the WBA, known as WBA4, came into force in December 2020 and addressed concerns raised in two public inquiries the ACCC conducted to determine whether access determinations were required for our service standards (and rebates for failing to meet them) or our access pricing, with a particular focus on entry-level pricing. The ACCC closed both inquiries following the acceptance of our proposal to amend the WBA by including:

- price reductions for our entry level service;
- increased certainty for retail service providers regarding how our discounted pricing may change over time;
- improved daily service rebates for connections and fault rectification activities that exceed service level timeframes;
- higher rebates for missed appointments, new rebates for underperforming speeds, no wholesale charges for failed connections; and
- a series of commitments to improve reporting and operational procedures. See "Business—Connections, field service and network maintenance" for further information.

Due to the delay in finalising our SAU variation, we have proposed to extend WBA4 until 31 January 2024 to cover the period until our proposed amended SAU has been accepted by the ACCC and WBA5, the next iteration of the WBA, becomes effective.

ACCC inquiries

In the period between 2017 and 2020, the ACCC conducted inquiries into aspects of our service standards and access prices. These inquiries sought to establish whether terms of access should be set by the ACCC through a "final access determination", or FAD. A FAD or Binding Rule of Conduct issued by the ACCC would have established price and non-price terms for services we supply to the extent the terms made by the ACCC were not inconsistent with those in the SAU. As the majority of our services (and hence revenues) are delivered over the multi-technology mix networks, this would have established regulated terms for those services. In practical terms, this would likely have resulted in us also electing to vary at least some of the terms of access to those services covered by the SAU due to the complexities of operationalising multiple set of service levels and pricing.

As a result of commercial changes we offered as part of the negotiation of WBA4 with retail service providers, we were able to address the ACCC's concerns without the ACCC issuing a FAD or a Binding Rule of Conduct.

Variation of the SAU

As noted above, the SAU provides a framework by which, within the subsequent regulatory period covered by Module 2 of the SAU, the specific implementation of the Module 2 principles can be set according to "replacement modules" of the SAU. The SAU requires us to develop and lodge these replacement modules as variations to the SAU. The SAU provides for us to nominate the length of each replacement module, which may be a period of three, four or five years. Each replacement module will specify detailed terms of key elements of the SAU, such as the calculation of our regulatory cost base on a forward-looking basis and our forecasts of expenditure and regulated revenue, consistent with principles set out in the SAU. Under the terms of the SAU, the ACCC will consult on and consider our first proposed replacement module application, and either accept our proposal or impose its own replacement module prior to the commencement of Module 2.

We have previously sought to vary the SAU to include the multi-technology mix technologies within its scope, but were unable to achieve acceptance by the ACCC. Separately, we sought a variation to the SAU to extend the operation of three non-price provisions of the SAU that expired in 2019. The provisions relate to customer endorsement of network design changes, dispute resolution and product development forum processes. The ACCC ultimately accepted this variation in April 2021, extending the operation of those terms until the end of Module 1 of the SAU in June 2023.

In October 2020, the then Minister for Communications issued a Statement of Expectations to the ACCC stating that the ACCC should work constructively with us and the Department of Communications on how best to develop a comprehensive regulatory solution to our wholesale pricing that delivers certainty for all stakeholders, including an SAU variation to incorporate all of the multi-technology mix networks. It also stated that the ACCC could have regard to the recommendation of an independent review in 2014 that the ACCC should use a "building block" cost model and that the cost model could be based on our actual prudently

incurred costs in accordance with the methodology set out in the existing SAU. In response, the ACCC stated that it would continue to work closely with us and the Department of Communications, including in developing a comprehensive regulatory framework for the NBN (including developing options for a variation to the SAU to include all NBN access technologies) and that this work would complement the formal assessment and consultation processes the ACCC is required to follow for variations to the SAU.

In June 2021, we released a discussion paper regarding proposed amendments to our SAU in order to commence our engagement with industry and consumer advocacy groups on key changes to the SAU that we proposed to submit to the ACCC. The changes proposed in the paper included updating the SAU to expand its scope to cover the multi-technology mix networks, as well as specifying options to evolve wholesale broadband pricing for the future to address feedback from the industry.

The ACCC convened consultations via working groups with industry stakeholders in which we, the ACCC, key retail service providers and consumer representatives participated from June to December 2021.

Following the conclusion of the ACCC's working group process, we and the ACCC each issued papers in December 2021. The ACCC's paper summarised the nature of the discussions, and identified five key outcomes which they considered would help guide the development of a new regulatory framework for us. Those outcomes were that:

- we have the opportunity to earn the minimum revenues we need to meet our legitimate financing objectives, including to transition to a standalone investment grade credit rating;
- our end users are protected from price shocks and from prices that are higher than necessary in later years;
- the regulatory framework provides incentives for us to operate efficiently and promote use of the NBN;
- NBN access seekers have greater certainty over the costs that they will face when using the NBN; and
- there is a clear and robust quality of service framework so access seekers and end users know what to expect from NBN services, including a review mechanism so that service standards remain fit for purpose.

The ACCC also commented that "the overall conclusion reached in the working groups was that the NBN should move to a similar regulatory framework used in established utility businesses now that it has completed its rollout and is fully operational. This approach would assist in maximising the economic and social benefits of the significant public investment in the NBN."

Our response paper, which was provided to the ACCC and industry stakeholders in December 2021, outlined our more complete views on our positions on the key issues raised in the six months of working group forums, and indicated our intended approach in relation to addressing them in our SAU variation. We lodged our SAU variation on 29 March 2022. The ACCC issued a consultation paper regarding the proposed variation on 23 May 2022, seeking stakeholder views on a number of aspects of our proposal. The industry and the ACCC raised a number of concerns in relation to our proposal.

In July 2022, following the election of a new Australian government in May 2022, our Shareholder Ministers wrote to our Chair indicating that a varied SAU should reflect the changes in the policy landscape and operating environment since the variation was lodged. Accordingly, they considered a withdrawal of our SAU variation and the submission of a revised proposal to be the best way forward for the process, noting that this would allow us to take into account the feedback provided on the current proposal through the ACCC's consultation process. Accordingly, we withdrew our variation in July 2022.

In August 2022, we released a discussion paper outlining key changes we intend to make in our revised SAU variation to be submitted later in 2022 as part of the ongoing SAU consultation process. Following further stakeholder consultation, we submitted a revised SAU variation to the ACCC in November 2022.

In May 2023, the ACCC released a draft decision to reject the variation. On 14 August 2023, we withdrew the previously-submitted variation and submitted a new revised SAU variation to the ACCC. Our revised SAU variation would, among other things:

- Include services provided over FTTN, FTTC, FTTB and HFC networks within the scope of the SAU;

- Provide that the term of the SAU would expire earlier than 30 June 2040 in the event that the Australian government ceases to own 50% or more of our shares;

- In respect of all networks other than the satellite network, introduce AVC-only pricing (that is, eliminate CVC charges) for wholesale speed tiers of 100 Mbps and above by no later than 1 February 2024, and reduce CVC charges on the 12, 25 and 50 Mbps wholesale speed tiers in increments (while rebalancing the AVC charges as the CVC charges decrease), with AVC-only pricing commencing by 1 July 2026;

- In respect of all networks other than the satellite network, reduce the monthly wholesale charges for the higher (100 Mbps and above) speed tiers. The following table shows the current charge and the charge proposed in the revised SAU variation:

	Monthly charge (A$)	
	Current fixed charge in bundle discount	**Revised SAU variation**
Home Fast (100/20)	$58.00	$55.00
100/40	$65.00	$58.00
Home SuperFast (250/25)	$68.00	$60.00
Home UltraFast (500- ~1000/50)	$80.00	$70.00

- Offer bundled services with a CVC charge component under a floor and ceiling pricing model, as set out in the following table:

	Monthly charge (A$) (CVC included)	
	Current fixed charge in bundle discount	**Revised SAU variation**
12/1 Basic Bundle	$22.50 (0.15 Mbps)	$12.00 (0 Mbps)
12/1 Broadband	$22.50 (0.15 Mbps)	$24.40 (0 Mbps)
25/5 and 25/10	$37.00 (1.6 Mbps)	$26.00 (0.2 Mbps)
50/20 and FW Plus	$45.00 (2.65 Mbps)	$50.00 (3.50 Mbps)
CVC Rate	$8/Mbps	$5.50/Mbps

Note: Satellite services are not included in this table. Further, under the SAU variation, any CVC overage would be charged on the basis of utilised CVC capacity rather than provisioned capacity.

- The floor and ceiling pricing model for bundled offers caps an individual service at the reference price of Home Fast (100/20), A$55, and sets a floor of the relevant offer's fixed price, significantly enhancing price certainty for retailers.

- Replace individual price controls on most NBN services with a weighted average price cap (WAPC) or "basket" price control in order to allow a transition to "cost-reflective" prices. Under this proposal, the weighted basket may change each year on a "use-it-or-lose-it" basis at:

    - CPI, during an initial glidepath period (i.e. before we are expected to achieve allowable annual building block model revenues); and

    - thereafter, a percentage that allows forecast revenue for each financial year to equal building block model revenues plus an allocated percentage of ICRA for that financial year;

- Set a limit on the maximum amount of ICRA that we can recover within the remaining term of the SAU (i.e. to 30 June 2040) commencing with an opening ICRA balance of A$12.5 billion at the effective date of the SAU variation, to be indexed annually for inflation;

- Make changes to the framework for assessing our prudent and efficient costs in response to ACCC feedback;

- Embed benchmark service standards within the SAU that establish the benchmark for service standards that we are required to include in our SFAA and that will provide the industry with greater certainty regarding the service standards we will maintain on the NBN;

- Introduce review mechanisms for service standards that will give the ACCC powers to set alternative service standards for subsequent regulatory cycles if our replacement module application is rejected;

- From 2032, provide the ACCC with wider powers, including the power to review and reset our revenue and pricing regulation framework under the SAU, subject to a number of high-level principles; and

- Provide that if a future government transfers control over us to private ownership, the SAU expiry date will be brought forward from 2040.

The revised SAU variation is now subject to ACCC review, which we expect will include extensive industry consultation. If the ACCC accepts it, we plan to implement the revised SAU within three months of acceptance.

The ACCC has the power to issue Access Determinations and Binding Rules of Conduct, or BROC, regulating the terms and conditions on which we provide declared services and the manner in which we comply with our Standard Access Obligations arising under Part XIC of the CCA. If it does not accept our SAU variation, the ACCC may issue an Access Determination or BROC to impose new regulation on our business. While such an Access Determination or BROC would not be effective to the extent that it is inconsistent with an accepted SAU or an access agreement (e.g. a WBA), the existing SAU only covers our FTTP, fixed wireless and satellite services. As a result, the ACCC would have considerable power to regulate our business if it does not accept our SAU variation, and it may exercise those powers in ways that adversely affect our revenue or increase our costs, and thereby impair our ability to reinvest in our business.

For example, in making any Access Determination or BROC, the ACCC may take the view that:

- Our prices and pricing flexibility should be constrained in a way which limits our ability to earn revenues to the extent currently envisaged in our integrated operating plan;

- Our ability to invest – for example, to meet future demand, to meet competition and fulfil government policy objectives – should be subject to greater regulatory oversight; and

- Our service levels should be regulated in ways that inefficiently increase our costs.

In making any BROC or Access Determination in relation to the multi-technology mix networks, it would be open to the ACCC to form their own views on the level of "efficient costs" associated with these networks and establish prices that reflect their views of those costs. Should the ACCC make a FAD or BROC in relation the multi-technology mix networks, while these would not have effect on the services covered by the SAU to the extent the ACCC's terms under the FAD or BROC were inconsistent with the SAU, for practical reasons, we may also elect to modify our access terms for those services to avoid the operational complexity of providing multiple sets of access terms. See "— ACCC inquiries" for further information.

Market Conduct Regime - Part XIB of the Competition and Consumer Act 2010 (Cth)

Part XIB of the CCA establishes a special regime for regulating anti-competitive conduct in the telecommunications industry. It regulates the behaviour of firms with a substantial degree of market power in a telecommunications market, including us, and imposes a prohibition on engaging in anti-competitive conduct. The ACCC is required to monitor, review and report about competition and competitive safeguards in the telecommunications industry under Part XIB and has the power to compel us to provide information and documents in connection with these obligations.

Anti-competitive conduct

Under Part XIB of the CCA, we are prohibited from engaging in anti-competitive conduct that relates to the telecommunications market whereby we take advantage of our market position, including conduct that contravenes prohibitions against cartel conduct, price fixing, exclusive dealing and resale price maintenance. The Part XIB regime applies in addition to Part IV of the CCA, which also contains provisions relating to anti-competitive conduct that apply generally to all industries. Part XIB of the CCA contains detailed provisions relating to the ACCC's processes and powers to issue notices of contravention, institute proceedings and grant exemptions, in respect of such anti-competitive conduct.

We are authorised to engage in certain conduct that could otherwise breach anti-competitive conduct provisions of the CCA, if that conduct is reasonably necessary to achieve uniform national pricing for our declared services. Division 16 of Part XIB of the CCA authorises us to:

- bundle certain designated access services (including access virtual circuit services, connectivity virtual circuit services, network-network interface services, user network interface services and voice telephony facilitation services); and

- refuse to permit interconnection of our facilities from a listed point of interconnection, subject to such conduct being reasonably necessary to achieve uniform national pricing for our declared services.

Conduct that is authorised under Division 16 of Part XIB of the CCA is also authorised for the purposes of the anti-competitive conduct provisions under Part IV of the CCA that apply generally.

Universal Service Guarantee (USG) and consumer protection policy framework

In addition to the regulatory framework for providing carriage service providers and retail service providers access to our declared services and network, Australia has a long-standing regulatory framework to ensure end users have universal access to telecommunications and consumer protection. This framework consists of several regulatory and policy instruments that apply to us and other carriers, which have undergone change in recent years and are subject to ongoing reform. The ongoing reform is broadly aimed at reforming the telecommunications market to promote competition and improve access to broadband services (in addition to traditional voice telecommunication services).

The Statutory Infrastructure Provider regime

The Statutory Infrastructure Provider, or SIP, regime came into effect on 1 July 2020 through amendments to the Telecommunications Act 1997 (Cth) and provides a framework to ensure that premises in Australia can be connected to, and supplied with, superfast broadband internet services (that is 25 Mbps or better). The SIP regime requires us and other designated carriers to supply access to wholesale services that can support retail broadband services (and, on fixed-line and fixed wireless networks, voice services) on reasonable request from a carriage service provider. The SIP regime forms part of the new Universal Service Guarantee, or USG (discussed below). Under the SIP regime, the Australian Parliament intends that we should take reasonable steps to ensure that our fixed-line network is capable of being connected to at least 92% of premises in Australia. Where carriers other than us are contracted to provide services for new developments (or had existing infrastructure in place at the time the SIP legislation passed), those carriers are the SIPs for those particular locations. The Australian government's Department of Communications provides advice to the Minister for Communications if there are carriers that should be designated as SIPs for relevant areas. Over time, new SIPs may be added where they connect and supply qualifying services to new developments. Other than those locations, we are the default SIP across Australia. In total, there are 32 registered SIPs, including us. The SIP register, which includes the name of each SIP, is maintained by the Australian Communications and Media Authority.

In locations where we are the SIP, we are required to connect end user premises to our network at the reasonable request of the carriage service provider on behalf of an end user. On 22 May 2021, the Telecommunications (Statutory Infrastructure Providers – Circumstances for Exceptions to Connections and Supply Obligations) Determination 2021 was made, which will automatically be repealed on 28 May 2024. This determination details the limited circumstances where an end user's request will not be reasonable under the SIP regime and that a SIP will not be required to connect the premises to a qualifying telecommunications network.

Under the SIP regime, our wholesale broadband services must be capable of supplying retail broadband services with peak download and upload speeds of at least 25/5 Mbps. The Australian Parliament intends that we should take reasonable steps so that at least 90% of ready-to-connect premises on our fixed-line network must be capable of being supplied with peak download and upload speeds of 50/10 Mbps. On our fixed-line and fixed wireless networks, the wholesale broadband services we supply must also allow carriage service providers to supply voice services.

The Regional Broadband Scheme, or RBS (set out below), provides funding for our fixed wireless and satellite services, which are loss-making components of the NBN, to recognise our role as the default SIP. In the case of new developments, we are able to charge real estate developers for providing infrastructure. The 2020 Telecommunications in New Developments policy, or TIND policy, sets out a schedule of maximum prices that we may charge real estate developers, and also requires us to report on discounting, overbuilding and compliance with the Australian government's Competitive Neutrality policy (discussed below). Real estate developers can select whichever carrier they prefer to install infrastructure in new developments, noting we are the default provider. Real estate developers are required to install and meet the cost of pit and pipe or other fibre ready facilities to support fixed-line telecommunications, noting developers can seek exemptions from pit and pipe installation requirements for certain types of developments that meet strict criteria. Once installed, ownership of these telecommunication infrastructure facilities is typically transferred to us. The TIND policy also imposes several record keeping and reporting obligations that we must comply with.

The SIP regime includes broad powers for the Minister to make legislative standards and rules which must be complied with by SIPs (and benchmarks that must be met or exceeded in complying with such a standard) relating to any matter concerning the supply, or proposed supply, of an eligible service to a carriage service provider. The legislation also includes broad inconsistency provisions which can apply to regulatory instruments (such as Access Determinations, Binding Rules of Conduct or an SAU) or access agreements (such as the WBA). The effect of these inconsistency provisions is that any SIP standard or rule made will override all instruments (such as Access Determinations, Binding Rules of Conduct or an SAU) regardless of when they are made, to the extent of any inconsistency. However, a SIP standard or rule will only override access agreements made or varied after the SIP standard or rule was made. There are currently no standards or rules in place (and therefore no benchmarks for compliance with a standard). If a standard or rule is made, any WBA entered into or varied after that standard or rule is made will need to ensure consistency with that standard or rule in place.

The government consulted on proposed changes to the SIP legislation in 2022. Key changes proposed included, among other things, bringing private networks in new developments into the SIP regime and providing stricter rules for the exit of SIPs from a service area. The government indicated that it expected to introduce the bill into Parliament by the end of 2022, but as of the date of this offering circular, this has not occurred.

Universal Service Guarantee

The Universal Service Guarantee, or USG, expands on and incorporates the long-standing Universal Service Obligation, or USO. The objective of the USG arrangements is to provide premises in Australia with access to both broadband and voice services, regardless of their location. The SIP regime supports the USG by ensuring there is a SIP for all areas of Australia. Under the SIP regime, we are the default SIP for Australia. As the designated Primary Universal Service Provider, Telstra is required to provide voice services to Australian premises on reasonable request. Under a contract with the Commonwealth, Telstra is required to maintain its existing copper network outside of the fixed-line NBN to support voice services until 2032. Telstra is compensated for its role as the Primary Universal Service Provider through a mix of Australian government funding and industry funding arrangements which we contribute to. Telstra also uses this network to provide ADSL broadband services on a commercial basis. If Telstra stopped providing these services, we would be obliged as the default SIP to provide broadband services to retail service providers on reasonable request.

Regional Broadband Scheme

On 1 January 2021, the Regional Broadband Scheme, or RBS, came into operation. The objective of the RBS is to ensure transparent and sustainable funding for essential broadband services in regional, rural and remote Australia. The RBS established a charge (i.e. tax) payable by liable carriers (including us) that was initially set at A$7.10 per month in the first eligible financial year of the RBS for each premises on their fixed-line network with an active high speed broadband service. The charge is indexed to increase annually by CPI for each financial year thereafter. The charge comprises two components: a base amount and an administrative amount. The revenue generated by the base amount of the charge funds the net losses of construction and operation of our fixed wireless and satellite services, which are loss-making components of the NBN. This includes funding the launch of two Sky Muster satellites, maintaining our satellite base stations, building our fixed wireless network, connecting end users and operating both networks. We and other liable carriers are also required to comply with reporting obligations, such as to assess the number of chargeable premises that should be charged, and annually publish certain financial and operational metrics related to our fixed wireless and satellite networks on our website. While we contribute the vast majority of funds to the RBS, we are a net recipient of funds from the scheme. This is because the legislative scheme provides us, as currently the only

eligible funding recipient, with the base component monies collected from all liable carriers. The operation of the scheme includes an offset mechanism such that we are able to offset our charge liability against money payable to us under the scheme. Our current prices reflect the cost of our contribution to the RBS.

Telecommunications industry consumer safeguards

The Telecommunications Consumer Protections Code is a code of conduct for the telecommunications industry in Australia. It provides consumer safeguards in the areas of sales, service and contracts, billing, credit and debt management and changing suppliers. It also sets out a framework of code compliance and monitoring. It applies to all carriage service providers in Australia, including us, and is enforceable by ACMA. A review of the Telecommunications Consumer Protections Code is due in 2024. The review process commenced in May 2023.

Australia's telecommunications consumer safeguards were historically focused on fixed-line voice services delivered over Telstra's legacy copper network. Accordingly, the ongoing relevance and usefulness of these safeguards has decreased due to increasing competition, changing consumer preferences, emerging new technologies and the rollout of the NBN. The prior government in April 2018 issued terms of reference for a consumer safeguards review to consider modernising Australia's telecommunications consumer safeguards in light of a changing market. This review was undertaken in three parts. Part A considered redress and complaints handling, Part B considered the reliability of telecommunications services, and Part C considered choice and fairness in the retail relationship between end users and their service provider. The review for Part A is effectively completed, recommendations for Part B were published in December 2019 and submissions for Part C closed on 24 September 2020.

We consider we have implemented many recommendations from Part B that relate to us in WBA4. In early 2021, the then Australian government conducted further work on Part B through a public consultation on draft standards, rules and benchmarks for statutory infrastructure providers regarding connection time frames, repairs and appointment keeping, and associated performance benchmarks (as set out in a consultation draft of the Telecommunications (Statutory Infrastructure Providers—Standards, Rules and Benchmarks) Determination 2021). Some proposed build and supply timeframes and speed monitoring requirements consulted on, if implemented, would add to our operating costs. Decisions on this review are now a matter for the current Australian government.

Other regulations and policies relevant to NBN Co's commercial operations

Competitive neutrality

As a wholly-owned Commonwealth company and a government business enterprise, we are required to operate subject to the Australian government's Competitive Neutrality policy. This policy is designed to promote efficient competition between public and private businesses by offsetting, or "neutralising", net competitive advantages resulting from government ownership. As Australia's largest wholly-owned government business enterprise, our ongoing compliance with the Competitive Neutrality policy is monitored closely by both government and industry stakeholders. A key component of complying with the Competitive Neutrality policy is a requirement for our prices to be set on a comparable basis to private sector organisations. In practice this involves: (a) identifying costs attributable to the business activity; and (b) setting prices that take into account all relevant costs (including allowances for a commercial rate of return) that would apply to private sector competitors. In October 2020, a competitive neutrality complaint against us was lodged with the Australian Government Competitive Neutrality Complaints Office, or AGCNCO, which investigates complaints about competitive neutrality obligations and provides independent advice to the Australian government. The complainant claimed that we may have a commercial advantage as a result of being a government business enterprise.

The AGCNCO released the report of its investigation in November 2022. While it concluded that most of the matters that the complainant raised did not breach Australian government competitive neutrality policies, the AGCNCO found that we received a benefit in the pricing of our private market debt as a result of our government ownership, which represented a competitive advantage. The AGCNCO recommended that in order to comply with the government's competitive neutrality policies, we should be required to make payments equivalent to the benefit to consolidated revenue. It estimated that the benefit was more than A$300 million for FY22, and that it was likely to grow in future years as we raise more debt.

The government has indicated that it is considering the report, and noted the unique circumstances of NBN Co as the default provider of wholesale broadband services across Australia. The government is not obliged to implement the recommendations of the AGCNCO.

Installation and maintenance of telecommunications facilities

Under Schedule 3 to the Telecommunications Act 1997 (Cth), we have some powers to enter land to inspect, install and maintain some types of telecommunications facilities, and certain immunities from some State and Territory legislation when doing so. In anticipation of the upcoming scale and level of investment in 5G networks, the Australian government is conducting an ongoing review of this framework to ensure it is efficient and effective in today's operating environment. The first tranche of the Australian government's proposed amendments relate to the telecommunications carrier powers and immunities framework. In October 2020, the Australian government concluded a consultation relating to 12 possible changes to the carrier powers and immunities framework. Feedback from that consultation process enabled the Australian government to identify appetite for regulatory and non-regulatory change.

In October 2021, the current Telecommunications Code of Practice came into effect, which, among other things, clarifies existing safety conditions and introduces some new record-keeping and new requirements for carriers to provide notice and withdraw notice when inspecting land or installing or maintaining facilities. The code also modified its procedure for consumers to make objections, by allowing both carriers and consumers to refer objections to the Telecommunications Industry Ombudsman after reasonable efforts to resolve a matter are made, and implementing new timeframes for carrier referrals. Concurrently with changes to the Telecommunications Code of Practice, the Telecommunications (Low Impact Facilities) Determination was amended to improve the operation of the telecommunications deployment framework and assist the rollout of 5G infrastructure and other telecommunications facilities by increasing the dimensions of some low-impact facilities, increasing co-location volume limits in commercial areas and nominating some types of facility as "certified" for the purposes of new engineering certification requirements.

Compensation liability from using Schedule 3 powers

Under Schedule 3 to the Telecommunications Act 1997 (Cth), compensation may be payable by us where we exercise Schedule 3 rights and the landowner suffers financial loss or damage in relation to property, or for the acquisition of any property. Where compensation cannot be agreed between the parties, it is to be determined by the Court.

2021 Regional Telecommunications Review

The Regional Telecommunications Independent Review Committee is appointed to conduct a review of the adequacy of telecommunications services in regional, rural and remote areas of Australia every three years. The 2021 Regional Telecommunications Review was held from June to December 2021. Particular issues identified in the terms of reference include the impact of government policy and programmes, insights from COVID-19, emerging technologies, service reliability, regional development and improving coordination between tiers of government. Public consultation is a key part of the review process.

The final report of the Regional Telecommunications Independent Review Committee was tabled in Parliament on 14 February 2022. The report identifies 16 key findings and provides 12 recommendations by which the Australian government can help to lay the foundations of a more accessible, competitive, and reliable regional telecommunications landscape. Recommendations specific to the NBN included that we should provide holistic upgrades to our regional fixed wireless network, enhance the peak and off-peak times and data allocations on our Sky Muster satellite services, and implement a product for low income and income support recipient consumers across all technologies in regional, rural and remote areas. A non-NBN-specific recommendation is for the government to develop and enforce minimum wholesale and retail service, performance and reliability standards appropriate for each service type (fixed and landline, mobile, fixed wireless, satellites), including escalating penalties for failure to meet service standards. It was also recommended that the minimum USG standards, including download / upload speeds and performance during peak or busy hours, will need to increase and should be subject to an annual review.

In response to the recommendations, the Australian government provided a A$480 million grant to uplift our fixed wireless network and associated satellite footprint. This is supported by an additional A$270

million investment by NBN Co. The uplift program has begun and we expect it will be completed by December 2024, subject to further assessment through a detailed planning process.

MANAGEMENT

Directors

The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Expiry of current term
Kate McKenzie	62	Chair and Non-Executive Director	December 2024
Pam Bains	52	Non-Executive Director	March 2025
Nerida Caesar	59	Non-Executive Director	December 2024
Andrew Dix	67	Non-Executive Director	April 2024
Nicole Lockwood	44	Non-Executive Director	March 2025
Michael Malone	54	Non-Executive Director	April 2025
Elisha Parker	39	Non-Executive Director	December 2024
Stephen Rue	57	Managing Director and Chief Executive Officer	As CEO: September 2026 As an Executive Director: September 2026
Mike Mrdak[(1)]	59	Incoming Non-Executive Director	September 2026

Note:
(1) Mr Mrdak's term commences on 1 October 2023.

Kate McKenzie, Chair and Non-Executive Director

Ms. McKenzie was appointed as a Director effective 1 December 2019 and was appointed as our Chair effective 1 January 2022. She is a member and Chair of our Financing Committee and Nominations Committee, a member of our People and Remuneration Committee and attends our Audit and Risk Committee as a guest.

Ms. McKenzie is a Non-Executive Director of AMP Limited, Healius Limited and Stockland Corporation Limited. She is also a highly regarded and experienced telecommunications executive, having previously served as the Chief Executive Officer of Chorus NZ and the Chief Operating Officer of Telstra. She has been on the boards of Allianz Australia Limited, Foxtel, Sydney Water, Reach, CSL and Workcover, and was involved in a range of micro economic reform initiatives. She is a member of Chief Executive Women, has served on the Telstra Foundation, and has a history of promoting the interests of Indigenous communities.

Ms. McKenzie has a Bachelor of Arts and Bachelor of Laws from the University of Sydney.

Pam Bains, Non-Executive Director

Ms. Bains was appointed as a Director effective 19 March 2022. She is a member of our Nominations Committee and Audit and Risk Committee.

Ms. Bains is an Executive Director of Aurizon Network Pty Ltd, a wholly owned subsidiary of Aurizon Holdings Limited. She has broad experience in finance and leadership roles in Australian and globally over the past 25 years. She joined Aurizon in 2010 and has held various senior management roles, including as Chief Financial Officer and Group Executive Network. She played a key role during Aurizon Holdings' initial public offering and listing on the Australian Securities Exchange. Prior to joining Aurizon, she was the Head of Finance, Customer Service at Telefonica O2 UK, a subsidiary of one of the largest global integrated broadband and telecommunications providers.

Ms. Bains holds a BA (Honours) Accounting and Finance from the University of Huddersfield. She is a graduate of the Australian Institute of Company Directors and is a Fellow of the Institute of Chartered Accountants of England and Wales.

Nerida Caesar, Non-Executive Director

Ms. Caesar was appointed as a Director effective 1 January 2022. She is a member of our Audit and Risk Committee, Financing Committee and Nominations Committee.

Ms. Caesar is a Non-Executive Director of Westpac Banking Corporation, Chairman of Workplace Giving Australia Limited, Co-Chairman of G2GWGA, a Non-Executive Director of O'Connell Street & Associates and a Non-Executive Director of CreditorWatch. She has over thirty years of broad-ranging

commercial and business management experience, with particular depth in technology-led businesses. Ms. Caesar was Group Managing Director and Chief Executive Officer, Australia and New Zealand, of Equifax (formerly the ASX-listed Veda Group Limited) and was a Director of Genome.One Pty Ltd and Stone and Chalk Limited. She has held several senior management roles at Telstra including Group Managing Director, Enterprise and Government, responsible for Telstra's corporate, government and large business customers in Australia as well as the international sales division.

Ms. Caesar has a Bachelor of Commerce from the University of New South Wales, an MBA from Melbourne Business School and is a graduate of the Institute of Company Directors.

Andrew Dix, Non-Executive Director

Mr. Dix was appointed as a Director effective 7 April 2021. He is Chair of our Audit and Risk Committee and a member of our Financing Committee and Nominations Committee.

Mr. Dix is a Non-Executive Director of Western Leisure Services Pty Ltd and the Public Transport Ombudsman, Victoria. He has deep industry experience following a 35 year career in telecommunications, infrastructure, utilities, technology and manufacturing. He was previously an Executive Director responsible for Risk Management and Internal Audit at Telstra, and also held roles as the Chief Financial Officer for a number of Telstra's major operating business units.

Mr. Dix is a Fellow of the Institute of Chartered Accountants, a Certified Member of the Institute of Internal Auditors and a Graduate Member of the Institute of Company Directors. He has a Bachelor of Commerce from the University of Melbourne.

Nicole Lockwood, Non-Executive Director

Ms. Nicole Lockwood was appointed as a Director effective 19 March 2022. She is a member of our Nominations Committee and Chair of our People and Remuneration Committee.

Ms. Lockwood is the Chair of Infrastructure Western Australia, the Malka Foundation, and Airbridge, and a Non-Executive Director of Child and Adolescent Health Service and Deputy Chair of the Green Building Council of Australia. She is an experienced executive with 20 years of experience in law, government and consulting, including 15 years of board experience on government, corporate and not for profit boards. She provides strategic advice to the government and the private sector, and oversees major infrastructure and integrated planning initiatives, such as the Future Fremantle Planning Committee and Westport Taskforce, which developed a 50-year freight and trade plan for the southwest of Western Australia.

Ms. Lockwood has a Bachelor of Laws and a Bachelor of Business (Environment) from Notre Dame University. She is a graduate of the Australian Institute of Company Directors.

Michael Malone, Non-Executive Director

Mr. Michael Malone was appointed as a Director effective 20 April 2016. He is a member of our Audit and Risk Committee, Nominations Committee and People and Remuneration Committee.

Mr. Malone is a Non-Executive Director of Seven West Media Ltd, WiseTech Global Health Engine Limited and the Health Insurance Fund of WA. He founded iiNet Limited, an ASX-listed telecommunications company in 1993 and continued as CEO until his retirement in 2014. His former directorships include Autism West as founder and Vice Chairman, the .au Domain Administration as a founder and Chairman, Diamond Cyber Security as a founder and Chair, Axicom Group and Down Under Geosolutions. He was the 2012 Australian Entrepreneur of the Year, a Communications Alliance Ambassador, and is a holder of the Telecommunications Society's Charles Todd Medal. He was previously a member of the Commonwealth Consumer Affairs Advisory Council and the WA State Training Board.

Mr. Malone is a Fellow of the Australian Institute of Company Directors, the Australian Institute of Management and the Australian Computer Society. He has a Bachelor of Science (Mathematics) and a postgraduate Diploma in Education from the University of Western Australia.

Elisha Parker, Non-Executive Director

Ms. Parker was appointed as a Director effective 8 December 2021. She is a member of our People and Remuneration Committee and Nominations Committee.

Ms. Parker is a Director of Cattlesales Pty Limited and a Non-Executive Director of Beef Australia. She holds cross-sector experience as a legal practitioner with a speciality in dust diseases and in the agricultural industry in various roles including co-founding Cattlesales Pty Limited. Over the past 15 years Ms**.** Parker has held Chair and Committee positions within the agricultural sector with peak industry bodies, the Queensland state farming organisation and has also been widely recognised and awarded for leadership on regional issues, entrepreneurship, digital innovation and advocacy. Ms**.** Parker has also served as a Non-Executive Director with the Future Farmers Network.

Ms. Parker is passionate about the advancement of regional and remote industries and communities with a particular focus on innovation and the next generation and holds an in depth and grassroots knowledge of the issues and needs of regional and remote communities, businesses, industries and educational facilities.

Ms. Parker has a Bachelor of Laws from Queensland University of Technology and is a graduate of the Australian Institute of Company Directors.

Stephen Rue, Managing Director and Chief Executive Officer

Mr. Rue was appointed as Chief Executive Officer (CEO) and an Executive Director effective 1 September 2018. He attends our Audit and Risk Committee, Financing Committee, Nominations Committee and People and Remuneration Committee meetings as a guest.

As CEO, Mr. Rue is responsible for implementing strategic objectives and policies, and corporate plan and budget as approved by the board. As an Executive Director, he and the board of Directors provide stewardship, strategic leadership, governance and oversight. He was previously a member of our Executive Committee as Chief Financial Officer. Prior to joining us, he spent 17 years in various leadership roles at News Corp Australia, including a decade as Chief Financial Officer. He has also served as a Director of Foxtel, Fox Sports, REA Group and Australian Associated Press, as well as Chairman of the Community Newspaper Group in Perth and Melbourne Storm Rugby League Club.

Mr. Rue is a member of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors. He has a Bachelor of Business Studies from Trinity College Dublin and a Diploma in Professional Accounting.

Mike Mrdak, Incoming Non-Executive Director

Mr. Mrdak is an incoming Non-Executive Director, with his term commencing on 1 October 2023. He will be a member of our Nominations Committee.

Mr. Mrdak has had an extensive career in federal public service. He has served as Deputy Secretary (Governance), Department of the Prime Minister and Cabinet, Commonwealth Coordinator-General, Secretary of the Department of Infrastructure and Regional Development and Secretary of the Department of Communications and the Arts. He received the Federal Government Leader of the Year Award in 2013 recognising his outstanding leadership and work on major infrastructure projects including the duplication of the Pacific and Hume Highways, and was appointed an Officer of the Order of Australia in the Queen’s Birthday 2016 honours list for his distinguished service to public administration in transport, logistics and infrastructure investment. Mr. Mrdak is also an Adjunct Professor in the School of Business, Government and Law at the University of Canberra.

Mr. Mrdak has a Bachelor of Arts (Hons) from the University of New England and postgraduate qualifications including a Graduate Diploma in Education and a Graduate Diploma in Applied Economics from the University of Canberra.

Executive Committee

The following table sets forth certain information regarding the members of our Executive Committee. See "— Directors" for more information in relation to our Managing Director and Chief Executive Officer, Stephen Rue.

Name	Age	Position(s)
Stephen Rue	57	Chief Executive Officer
Philip Knox	64	Chief Financial Officer
Kathrine Dyer	53	Chief Operating Officer
Sally Kincaid	60	Chief People and Culture Officer
Felicity Ross	49	Chief Corporate Affairs Officer
Rob Sewell	52	Chief Information Officer
Gavin Williams	54	Chief Development Officer, Regional and Remote
John Parkin	57	Chief Engineering Officer
Will Irving	54	Chief Strategy and Transformation Officer
Jane van Beelen	54	Chief Legal and Regulatory Officer
Anna Perrin	46	Chief Customer Officer
Dion Ljubanovic	40	Chief Network Officer designate

Philip Knox, Chief Financial Officer

Mr. Knox was appointed Chief Financial Officer in February 2019. He is responsible for the financial management of our business activities, business planning, financial reporting, financial control, management reporting, taxation and treasury, audit and risk services and procurement. He has more than 30 years of financial experience with extensive knowledge of the technology and media industries. Prior to joining us, Mr. Knox was Chief Financial Officer at APN Outdoor, and was previously at the Garvan Institute of Medical Research and Austar United Communications.

Mr. Knox is a member of CPA Australia and a member of the Australian Institute of Company Directors.

Kathrine Dyer, Chief Operating Officer

Ms. Dyer commenced her appointment as Chief Operating Officer on 8 July 2020. She is responsible for designing, building and servicing our network, supply management, and managing contact centres and self-service portals. She joined us from Telstra in November 2010 and was appointed to the Executive Committee in July 2017 as the Chief Network Deployment Officer, where she oversaw the design and build of the NBN from an operational and strategic perspective. She has an extensive background in telecommunications legislative and regulatory management. While at Telstra, Ms. Dyer was at the forefront of fibre optics development and greenfields strategic planning.

Ms. Dyer has a Bachelor of Business from RMIT University. In July 2023, we announced that Ms. Dyer has made the decision to leave us and will depart later this calendar year.

Ms. Dyer will be leaving us and Mr. Parkin (our current Chief Engineering Officer) will be appointed in the role of Chief Operations Officer effective 1 October 2023.

Sally Kincaid, Chief People and Culture Officer

Ms. Kincaid was appointed Chief People and Culture Officer in May 2019. Her portfolio includes the implementation of initiatives to ensure a high-performing, inclusive and capable workforce, with the ability to attract and retain key talent so that we can deliver the NBN strategy. She also leads the Health Safety and Environment and Sustainability Portfolios. Prior to joining us, she held senior HR roles in a number of global organisations including QBE, ING and Citigroup. Ms. Kincaid was previously Chair of the QBE Foundation.

Ms. Kincaid has an MBA from Henley Business School in the UK and a Bachelor of Business Studies from Massey University in New Zealand. She is a graduate of the Australian Institute of Company Directors.

Felicity Ross, Chief Corporate Affairs Officer

Ms. Ross was appointed Chief Corporate Affairs Officer in July 2018. She leads all aspects of media and government relations and employee communications. She has over 20 years' experience managing stakeholder relations and communications across private and public sectors, including as former Director, Advocacy, at Jobs for NSW. Ms. Ross also has expertise in large, high-profile organisations in Australia and overseas, including London's Metropolitan Police at Scotland Yard, the UK Home Office, Serco, Westpac and the NSW government.

Ms. Ross has a Post Graduate Diploma in Communications Management from London Metropolitan University, as well as a Bachelor of Arts, English from Macquarie University. She is also a graduate of the Australian Institute of Company Directors.

Rob Sewell, Chief Information Officer

Mr. Sewell was appointed Chief Information Officer in February 2023. Prior to joining us, Mr. Sewell spent over four years with Maxis Berhad in Malaysia, leading technology strategy and digital transformation. At an industry level, he played a significant role in developing the arrangements between the industry access seekers and Malaysia's 5G Single Wholesale Network provider. Mr. Sewell previously spent seven years as the Chief Information Officer and Head of Network Planning with Indian mobile network operator Aircel Ltd. and, in Australia, over 17 years at Telstra in a range of roles, including Director of Architecture.

Mr. Sewell holds a Bachelor of Engineering (Hons.) and a Bachelor of Science from the University of Western Australia, and has also lectured at Masters level in Computer Science at RMIT University.

Gavin Williams, Chief Development Officer, Regional and Remote

Mr. Williams was appointed Chief Development Officer Regional & Remote in October 2019. He has more than 25 years of experience within the telecommunications industry in Australia and has held leadership roles in engineering, product management, marketing and strategy disciplines across consumer, business and wholesale markets. He was a board Director of Southern Cross Cable. Prior to joining us, Mr. Williams held positions in Optus and Telstra and was principal of an independent consultancy.

Mr. Williams has a Bachelor of Engineering (Honours) from the University of Melbourne and a Master of Business Administration from Macquarie University.

John Parkin, Chief Engineering Officer

Mr. Parkin was formally appointed as Chief Engineering Officer in July 2020. He is responsible for the network, security and engineering teams at NBN, which are responsible for the overall performance of our network. This includes ensuring the network is resilient to cyber and physical threats (such as fires and floods), and deploying next generation technology to ensure that the network can meet the needs of Australia now and into the future. He has a long history of international experience in network and service delivery operations working for national telecommunications organisations including British Telecom, Spark (formerly Telecom New Zealand) and Telstra. Mr. Parkin also has extensive commercial operational experience from working with international business partners across India, Malaysia and the Philippines.

Mr. Parkin will be appointed in the role of Chief Operations Officer effective 1 October 2023. Effective 1 October 2023, the role of "Chief Engineering Officer" will be replaced by the role of "Chief Network Officer".

Will Irving, Chief Strategy and Transformation Officer

Mr. Irving was appointed Chief Strategy and Transformation Officer in October 2019. He is responsible for our corporate strategy, operating model transformation, new developments, data and analytics, privacy, security, risk management and business continuity, and key strategic relationships, including with Telstra. Prior to joining us, he was the Interim CEO of Telstra InfraCo and the Group Executive of Telstra Wholesale from 2016 to 2018. From 2011 to 2016, he headed Telstra Business, responsible for over one million Small and Medium Business Telstra customers, from sole traders to smaller ASX-listed companies and local

government. Mr. Irving was Telstra's Group General Counsel from 2005 to 2011, through the T3 privatisation, the 3G mobile build and Telstra's major deal with us in 2011. He is also currently a non-executive director of Chorus Ltd in New Zealand.

Mr. Irving has a Bachelor of Law (Honours) and Bachelor of Commerce from Melbourne University.

Jane van Beelen, Chief Legal and Regulatory Officer

Ms. van Beelen joined us in October 2020 as the Chief Legal and Regulatory Officer and was appointed to the Executive Committee in September 2021. She is responsible for the provision of legal and regulatory expertise to our board and executives, leading our engagement with regulatory stakeholders and facilitating legal and regulatory compliance. She works closely with our Company Secretary and Non-Discrimination Compliance Officer, who report to her. She also serves as a Director of Communications Alliance, representing us as a member. Prior to joining us, she spent 25 years at Telstra, most recently as Telstra's Compliance & Regulatory Affairs Executive. While at Telstra, Ms. van Beelen held various roles in the Legal and Regulatory teams, led the Regulatory Affairs function for ten years and also oversaw Telstra's compliance framework from 2018 onwards.

Ms. van Beelen has a Bachelor of Economics and a Bachelor of Laws from the University of Sydney and a Graduate Diploma in Legal Practice. She is a graduate of the Australian Institute of Company Directors.

Anna Perrin, Chief Customer Officer

Ms. Perrin was appointed Chief Customer Officer in January 2023. She is responsible for leading a multidisciplinary team that works closely with our retail partners to deliver superior end-to-end customer solutions to Australian homes and businesses that drive preference, usage, and customer experience. She has international experience across the telecommunications and digital industries, having served in senior executive roles at Accenture, Axicom and Nokia, where she was previously Managing Director, Oceania and led Nokia's Australia and New Zealand business. Ms. Perrin has also held various board positions in leading industry associations across Australia, New Zealand, the UK and the Asia Pacific.

Ms. Perrin holds a Bachelor of Arts degree from The University of Sheffield. She is a graduate of the Australian Institute of Company Directors.

Dion Ljubanovic, Chief Network Officer designate

Mr. Ljubanovic will be appointed to the Executive Committee in the role of Chief Network Officer effective 1 October 2023. The role of Chief Network Officer is intended to replace the role of Chief Engineering Officer currently held by Mr. Parkin. Mr. Ljubanovic will be responsible for our network insights, technology, engineering and build teams, which are responsible for the overall performance and upgrades of our network. This includes ensuring our network is as resilient as possible to physical threats (such as fires and floods) and deploying next generation technology and networks to ensure that the NBN can meet the growing needs of Australia now and into the future. Mr. Ljubanovic has deep experience in engineering and deployment. Over his 12 years at NBN Co, he has led regional deployment, network deployment and network build.

Mr. Ljubanovic holds a Bachelor of Engineering (Honours) and a Bachelor of Management from the University of South Australia and has a postgraduate in Business Administration from Torrens University Australia.

Board practices

Role and responsibilities

The Australian Corporations Act and our Constitution establish and define the corporate powers of NBN Co which are exercised by the board, unless exercised by the Shareholder Ministers under our Constitution. The corporate powers of NBN Co must be exercised in accordance with the objects set out in our Constitution, in particular to rollout, operate and maintain a national wholesale broadband network, and facilitate the implementation of Australian government broadband policy and regulation. In addition, we and our

board are bound by formal communications from our Shareholder Ministers and government business enterprise guidelines.

The board's key responsibilities are set out in NBN Co's board charter and include:

- establishing and overseeing a sound corporate governance framework;
- approving our strategic direction;
- engaging with our Shareholder Ministers on Australian government policy requirements;
- annually preparing and submitting a corporate plan to the Australian government;
- supervising and challenging management in the implementation of strategic direction, the corporate plan and compliance with legal and regulatory obligations;
- ensuring our solvency;
- ensuring long-term financial and organisation sustainability;
- demonstrating leadership;
- holding management to account and challenging management in decision-making where necessary;
- taking necessary steps to ensure compliance with duties and obligations imposed by law and our Constitution, including, in particular, compliance and financial reporting requirements and the supervision of the development of risk management and internal control systems;
- overseeing and monitoring the effectiveness of our sustainability governance framework, strategy and associated actions; management of material social and environmental risks, issues and opportunities and associated non-financial (sustainability) reporting and disclosure requirements;
- setting work health, safety and environmental performance objectives, developing appropriate policies and controls, ensuring legal compliance and ongoing progress monitoring;
- approving and supervising the implementation of an appropriate internal governance framework;
- ensuring we act within our powers as set out in rule 4 of our Constitution;
- monitoring the ongoing independence of each Director and the board generally; and
- establishing and maintaining a register of interests to ensure potential conflicts can be managed and identified.

The board met 15 times during FY23.

Board and CEO appointments

As a government business enterprise, appointments to our board are made by our Shareholder Ministers who are guided by the Commonwealth Government Business Enterprise Governance and Oversight Guidelines (January 2018). The guidelines require our board to comprise directors with an appropriate mix of skills, who are to be appointed on the basis of their individual capacity to contribute to the board, having an appropriate balance of relevant skills (such as commerce, finance, accounting, law, marketing, workplace relations, management and other skills relevant to our operations) to enable them to contribute to the achievement of our objectives. The board is expected to draw on outside expertise where necessary to augment its own skills. The appointment of Australian government departmental officers (referred to as officials under the PGPA Act) to our

board may only be considered in exceptional circumstances, having regard to their possession of the skills referred to above, any potential conflicts of interest that might arise, and our particular circumstances.

The Chairman is not expected to be an executive unless otherwise agreed by our Shareholder Ministers.

The Chairman is expected to head a board committee which provides our Shareholder Ministers, through our board, with recommendations on board composition and membership. The Chairman is to, following consultation with our Shareholder Ministers, develop an annual board plan which includes our medium-term aims in relation to board composition, taking into account our strategic objectives, a forecast of likely board vacancies, and an assessment of the skill and diversity requirements of our board in the context of our strategic requirements and government policy objectives regarding diversity in board composition, and taking into account any assessment undertaken on the board's performance.

In addition, the Chairman is expected to write to Shareholder Ministers at least three months prior to a vacancy arising on the board or in the role of the CEO. Following consultation with Shareholder Ministers, the board may provide, through the Chairman, a shortlist of candidates for board vacancies. Additional processes for identifying board candidates such as public advertising or the use of executive search processes may be undertaken by agreement with Shareholder Ministers, to help ensure appointments are drawn from the best possible field of candidates. The Chairman may recommend the reappointment of an existing director where this is sought by the director and where appropriate, that is, based on evidence of good performance, where the tenure falls within the requirements set out in legislation applying to us and where the director's term has not been excessive. All recommendations for appointment should have regard to any government skill and diversity requirements and policies.

Through the Chairman, the board is expected to advise our Shareholder Ministers about its preferred candidate for the position of CEO. The CEO is directly accountable to the board and it is expected that potential candidates would be identified through public advertising or executive search processes.

Our Shareholder Ministers may elect to appoint a candidate not proposed by the Chairman.

Board access to information and independent advice

The board collectively, and each Director individually:

- has access to any information in the possession of NBN Co he/she considers necessary to fulfil his/her responsibilities and to exercise independent judgement when making decisions;
- has access to any historical information relating to former NBN Co subsidiaries;
- has access to management to seek explanations and information in relating to NBN Co and former NBN Co subsidiaries;
- has access to auditors, both internal and external, to seek explanations and information from them in relation to the management of NBN Co;
- may seek any independent professional advice in accordance with our Funding Director's Access to Independent Advice Policy; and
- may seek any advice or services to be provided to NBN Co by third party advisers in accordance with applicable policies and procedures.

Subject to declared conflicts of interest, all Directors have access to all board and committee reports via NBN Co's board portal.

Conflicts of interest and independence of directors

At least annually, in June, each Director is requested to complete a declaration of personal interests which is subject to review by NBN Co's Nominations Committee and subsequently by the board. As at 30 June 2021, the board formally considered that all Directors are independent and have remained so throughout the

term of their appointment. We have a Director's Conflicts of Interest Policy which, as at August 2018, incorporates our former External Securities (Declaration of Interests) Policy.

Directors are cognisant of their ongoing obligations to keep the board and any committee informed of an interest which could potentially conflict with the interests of NBN Co. Where a Director has a declared material personal interest and/or may be presented with a potential material conflict of interest in a matter being presented to the board or a committee, the Director does not receive copies of board or committee reports relating to the matter and recuses himself/herself from the board or committee meeting at the time the matter is being considered. Consequently, the Director does not vote on the matter. Any disclosures made by a Director are recorded in the minutes of the relevant meeting and are in a register available for inspection by any Director.

Board committees

To assist in the performance of its responsibilities, the board currently has four committees:

- the Audit and Risk Committee;
- the Financing Committee;
- the Nominations Committee; and
- the People and Remuneration Committee.

Our Audit and Risk Committee, Financing Committee, Nominations Committee and People and Remuneration Committee are each governed by a formal charter setting out its purpose, role, responsibilities, composition, structure and membership. All Directors who are not committee members are entitled to attend any committee meeting, subject to conflicts of interest.

Audit and Risk Committee

The Audit and Risk Committee was established on 13 August 2009 and assists the board in:

- satisfying itself that NBN Co complies with its financial management, performance reporting, risk oversight and management, reporting obligations, and internal control and compliance with relevant laws and policies; and
- providing a forum for communication between the board, Senior Management, and internal and external auditors. In particular, the Audit and Risk Committee supervises or reviews and makes the necessary recommendations to the board in relation to the preparation of periodic financial statements, an annual strategic internal audit plan, an annual external audit plan, significant changes in accounting policies, a system for integrating and aligning assurance process, and the delivery of the Internal Audit and Fraud Plan and Enterprise Risk Management Framework.

Subject to the Public Governance, Performance and Accountability Act 2013 and Public Governance, Performance and Accountability Rule 2014, the Audit and Risk Committee is appointed by the board and is to consist of at least three members. All Committee members are independent Non-Executive Directors.

At least one member is to have financial expertise and the necessary technical knowledge and understanding of the industry in which we operate so as to be able to assist the Committee to effectively discharge its risk-related mandate. For independence purposes, the Chair of the Committee is an independent Non-Executive Director appointed by the board who is not the Chairman of the board.

As at 30 June 2023, the Audit and Risk Committee consisted of four members, Mr. Andrew Dix, who is the Chair, Ms. Pam Bains, Ms. Nerida Caesar and Mr. Michael Malone. Ms. Kate McKenzie and Mr. Stephen Rue attend the Committee meetings as guests.

The Audit and Risk Committee normally schedules five meetings each financial year. During FY23 the Audit and Risk Committee met five times. In accordance with section 4.6(d) of the Audit and Risk Committee Charter, the Audit and Risk Committee met separately with external auditors during FY23.

Financing Committee

The Financing Committee was established on 5 November 2020 for the purpose of considering and approving matters relating to funding arrangements and the debt capital markets. It has delegated power and authority from the board to, among other things:

- establish an AMTN programme and any additional debt capital market programmes;
- approve the issuance of any notes under any programme or in respect of any standalone issuance; and
- approve revolving credit facilities, term loans, common deed polls and other financing arrangements, including short-term credit arrangements and bank facilities.

The Financing Committee is to consist of at least three members at least one of whom is to have financial expertise in large scale corporate financing. All Financing Committee members are independent Non-Executive Directors. The Chair of the Financing Committee is an independent Non-Executive Director appointed by the Board and may be the Chairman of the Board.

As at 30 June 2023, the Financing Committee consisted of three members, Ms. Kate McKenzie, who is the Chair, Ms. Nerida Caesar and Mr. Andrew Dix. Mr. Stephen Rue attends the Committee meetings as a guest.

During FY23, the Financing Committee met six times.

Nominations Committee

The Nominations Committee was established on 24 March 2015 and assists the board in fulfilling its governance responsibilities in relation to:

- the appointment, induction, independence and ongoing assessment of the skills and experience of Directors;
- board composition, including providing the Shareholder Ministers (through the Chairman) with a shortlist of candidates for appointment to the board to supplement or replace existing Directors;
- CEO recruitment;
- succession planning for Directors, the CEO and members of our Executive Committee, including, in respect of the CEO, ensuring that an annual assurance on these succession plans is provided to the Shareholder Ministers; and
- evaluating the performance of the board, its committees and Directors.

The Nominations Committee is to consist of at least three members including the Chairman of the board, and Chairs of the board's other sub-committees. All Committee members are independent Non-Executive Directors. The Chair of the Nominations Committee is an independent Non-Executive Director appointed by the board and may be the Chairman of the board.

As at 30 June 2023, the Nominations Committee consisted of eight members, Ms. Kate McKenzie, who is the Chair, Ms. Pam Bains, Ms. Nerida Caesar, Mr. Drew Clarke AO PSM, Mr. Andrew Dix, Ms. Nicole Lockwood, Ms. Elisha Parker and Mr. Michael Malone. Mr. Stephen Rue attends Nominations Committee meetings as a guest.

The Nominations Committee schedules a minimum of one meeting each financial year. During FY23, the Nominations Committee met twice.

People and Remuneration Committee

The People and Remuneration Committee was established under the name Remuneration and Nominations Committee on 7 February 2014. Its name was changed to the People and Remuneration Committee effective 24 March 2015. The People and Remuneration Committee assists the board in fulfilling its governance responsibilities in relation to:

- establishing people management and remuneration policies that enable us through our executive leadership to attract and retain capable employees who can help deliver our vision;
- fostering exceptional talent and performance while motivating and supporting employees to pursue the growth and success of the NBN access network consistent with our corporate plan; and
- fairly and responsibly rewarding employees, having regard to the performance of our company, individual performance, statutory and regulatory requirements, contractual employment obligations and current business norms.

The People and Remuneration Committee is to consist of at least three members, the majority of whom are independent Non-Executive Directors.

During FY23, the People and Remuneration Committee consisted of five members, Ms. Nicole Lockwood, who is the Chair, Ms. Kate McKenzie, Mr. Drew Clarke AO PSM, Ms. Elisha Parker and Mr. Michael Malone. Mr. Stephen Rue attends People and Remuneration Committee meetings as a guest.

The People and Remuneration Committee schedules a minimum of three meetings each financial year. During FY23, the People and Remuneration Committee met six times.

Executive remuneration

Key management personnel

Australian Accounting Standards require us to identify our key management personnel, or KMP. Details of our Non-Executive Directors and those senior executives deemed to be KMP by the board are outlined in the table below for FY23. The job titles for KMP reflect their roles during FY23.

Name	Title	FY23 Status	KMP Status as at date of offering circular
Current senior executives deemed to be KMP			
Stephen Rue	Chief Executive Officer (CEO)	Full year	Current
Kathrine Dyer	Chief Operating Officer	Full Year	Current
Will Irving	Chief Strategy and Transformation Officer	Full Year	Current
Philip Knox	Chief Financial Officer	Full Year	Current
John Parkin	Chief Engineering Officer	Full Year	Current
Anna Perrin	Chief Customer Officer	Part Year	Current
Brad Whitcomb	Chief Customer Officer	Part Year	Former
Current Non-Executive Directors			
Pam Bains	Non-Executive Director	Full Year	Current
Nerida Caesar	Non-Executive Director	Full Year	Current
Elisha Parker	Non-Executive Director	Full Year	Current
Drew Clarke	Non-Executive Director	Full Year	Former
Andrew Dix	Non-Executive Director	Full Year	Current
Nicole Lockwood	Non-Executive Director	Part Year	Current
Michael Malone	Non-Executive Director	Full Year	Current
Kate McKenzie	Non-Executive Chair	Full Year	Current

The following changes were made in KMP during FY23:

- Mr. B Whitcomb ceased to be Chief Customer Officer on 30 November 2022; and
- Ms. A Perrin was appointed Chief Customer Officer on 30 January 2023.

During FY24, Mr. Drew Clarke's term as a Non-Executive Director expired and he ceased to be KMP on 21 August 2023.

Remuneration and talent governance

The role of the People and Remuneration Committee is to assist the board in fulfilling its governance responsibilities in relation to establishing people management and remuneration policies. See "— Board practices — People and Remuneration Committee" for more information.

Support from management and external advisers

To inform its decisions, the People and Remuneration Committee sought advice and, at times, recommendations from the CEO and other management throughout the year.

During FY23, we obtained external advice in relation to remuneration from Ernst & Young. The advice included market practice, current and emerging trends in executive remuneration design and relevant legislative and regulatory developments.

None of the advice provided by Ernst & Young included a remuneration recommendation as defined in the Australian Corporations Act.

Strategic imperatives and remuneration strategy

Our remuneration strategy supports our strategic imperatives through performance-based reward and recognition of highly capable employees. Our remuneration policies and practices are aligned with Commonwealth guidelines and the interests of our shareholder and the Australian public.

Senior executive remuneration is designed to attract, motivate and retain the calibre of executives required to achieve our objectives now and into the future. To enable this, our senior executive remuneration strategy establishes an effective link between performance, prudent risk management and pay, achieved through:

- annually reviewing the senior executive remuneration framework;
- considering market remuneration practices when determining senior executive remuneration;
- ensuring a minimum level of performance is achieved by us before any Short-Term Incentive, or STI, payments can be earned;
- applying malus provisions to deferred STI (applicable to awards prior to FY22);
- balancing senior executive remuneration against corporate and individual performance outcomes; and
- linking each senior executive's STI award to the achievement of stretch performance conditions.

The Statement of Expectations dated 19 December 2022 requires the board to be fully accountable to our Shareholder Ministers for setting a remuneration structure that is transparent; ensures that the executive remuneration is appropriately aligned to key performance indicators, with fit for purpose targets that incentivise high performance beyond business as usual outcomes but are restrained and justifiable to the Parliament and the Australian public; is appropriately governed; is not inconsistent with relevant industry benchmarks; and is consistent with any Government guidance. The overall structure and approach to remuneration at NBN Co remained unchanged from FY22 and reflects the Australian government's Performance Bonus Guidance - Principles as they apply to government business enterprises such as NBN Co.

The following table compares STI corporate measures against our actual performance during FY23.

	STI corporate measures	**Actual performance during FY23**
Financial performance (25%).....	Achievement against corporate plan targets for revenue and operation costs.	The revenue target was achieved and operation costs performed

		favourably due to service assurance volumes and efficiency measures.
Network upgrades (20%).....	Performance against ready for migration and incremental wireless cell targets.	The target was exceeded under difficult challenges, including construction capacity shortages and adverse weather events.
Customer satisfaction and reputation (15%).....	Performance against target for both residential and business customers with regard to DSAT (dissatisfaction) and reputation.	These targets were met, and our reputation and DSAT continued to show improvement year on year.
Customer Service Delivery (20%)...	Achievement against a series of key service delivery indicators including right first time, distressed tickets, mean time to restore and network availability.	All targets were exceeded across the customer service delivery performance metrics.
Enterprise outcomes (20%)	Delivery against a range of initiatives linked to programs including simplification and capital expenditure efficiency.	The majority of these metrics concluded the year positive to plan, setting foundations for future transformation initiatives in the future IOP.

Actual performance compared to STI corporate measures directly impacts senior executive remuneration. In FY23, CEO STI outcome and average senior executive STI outcome were both awarded at 80% of the maximum. Following the annual review of senior executive remuneration, a fixed remuneration pool of 3% was awarded to the Executive Committee and Executive General Managers in addition to the superannuation guarantee contribution cap gap.

Senior executive remuneration

Our remuneration structure is designed to responsibly, fairly and competitively reward senior executives while complying with all of our regulatory obligations. In accordance with these objectives, each senior executive's remuneration package consists of Total Fixed Remuneration, or TFR, and "at risk" remuneration delivered through an STI programme. We do not grant long-term incentive awards to our senior executives. While there is no deferred component generally, there is a legacy deferred component from the FY21 programme which vested in FY23 that applies to a limited number of senior executives only.

Remuneration components

Remuneration component	Overview	Application
Total Fixed Remuneration	Base salary, employer superannuation contributions, salary-sacrificed benefits and applicable fringe benefits tax.	Positioned using appropriate benchmarks, reflecting size and complexity of role, responsibilities, experience and skills.
Short-Term Incentive	"At risk" remuneration, rewarding both NBN Co and individual performance.	Remuneration outcomes aligned to our strategy and is determined based on corporate performance and metrics, performance and contribution against annual objectives.

Remuneration mix

A portion of senior executive remuneration is "at risk" to ensure alignment with our strategic objectives. "At risk" remuneration is only awarded for delivering performance aligned to our strategy.

The target STI opportunity for the CEO is 30% of TFR and for senior executives is 20% of the participant's TFR.

As "at risk" remuneration is tied to the achievement of the company and individual performance conditions, actual remuneration received may vary from the target remuneration. See "— Performance outcomes for FY23" below for more information on actual performance outcomes.

The composition of the remuneration packages for the CEO and Executive Committee is set out in the table below with TFR and target STI components as a percentage of the total target annual remuneration for FY23 and FY22.

	Executive Committee		CEO	
	FY23	**FY22**	**FY23**	**FY22**
	(as percentage of target annual remuneration)			
Target STI	17%	17%	23%	28%
TFR	83%	83%	77%	72%

Total Fixed Remuneration

Base salary, superannuation contributions and non-cash benefits comprise a senior executive's TFR. Factors taken into account when setting the appropriate TFR for any senior executive include:

- relevant market data;
- complexity of the role;
- internal relativities;
- skills and experience; and
- individual performance.

Senior executives have no guarantee of TFR increases within their contracts. The TFR of all senior executives is reviewed annually to ensure alignment with market practice.

STI programme

In line with market practice, senior executives are eligible to be awarded an STI under the terms of our STI programme. The programme provides senior executives with the opportunity to receive "at risk" remuneration that is determined based on our performance and then on individual performance during the performance year.

The STI programme is designed to:

- reward senior executives who contributed to our success during the performance year;
- ensure a portion of total remuneration is linked to the achievement of corporate performance; and
- through its STI funding approach, provide us with the flexibility to manage the overall cost of the programme in line with the achievement of corporate performance outcomes.

We review our incentive programme annually to ensure it remains aligned to market practice and continues to incentivise participants in alignment with the evolution of our business strategy.

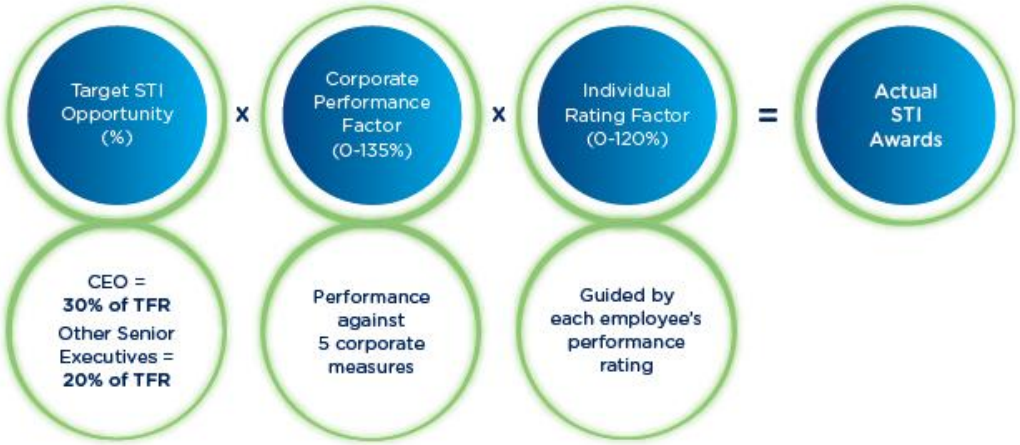
STI performance measures

Our performance has a direct impact on the STI award pool and therefore the level of STI payments received by participants. Performance measures and targets are set at the start of the performance period against the measures in our corporate plan and as outlined in the table above in "— Strategic imperatives and remuneration strategy".

Our performance in FY23 was assessed against five corporate measures: financial performance, network upgrades, customer satisfaction and reputation, customer service delivery and enterprise outcomes.

STI award calculation

The actual STI award under our senior executive STI programme is calculated as follows:



STI deferral

STI deferral for senior executives is no longer applicable to STI awards from FY22.

Remuneration benchmarking

We aim to position target total remuneration, that is, TFR plus target STI opportunity, competitively against comparable organisations.

External market benchmarks are prepared by independent remuneration advisers drawing upon disclosed data from relevant Australian listed and unlisted companies and government business enterprises.

Target total remuneration for each senior executive role is informed by the benchmark data and relevant internal relativities.

The People and Remuneration Committee annually reviews the remuneration arrangements of each senior executive to ensure that they appropriately reflect individual and company performance and market conditions.

Role of the People and Remuneration Committee under the STI programme

Each year, the People and Remuneration Committee determines the performance measures and objectives of the STI programme, participant eligibility, performance outcomes and the STI award pool, application of malus provisions to previous awards (where relevant) and any changes or adjustments needed to continually improve the plan.

The People and Remuneration Committee retains discretion under the programme rules to adjust STI payments in light of unforeseen circumstances or unintended outcomes.

Funding approach

Our performance determines the size of the target STI pool for the applicable year consistent with the approach of a commercial enterprise. The People and Remuneration Committee can eliminate the entire target STI pool if it determines that we have not met a gateway measure. In these circumstances, the People and Remuneration Committee retains the discretion to recognise exceptional contributions from individuals and can form a STI pool of up to 20% of the entire target STI pool. The People and Remuneration Committee determines the gateway measures at the start of the performance period and determines if they have been satisfied.

Our Corporate Objectives and Safety act as gateways for any STI to be awarded. The entire pool can be eliminated if either gateway is not satisfied. If the gateway measures are satisfied during the performance period, the People and Remuneration Committee then determines whether to adjust the target STI pool up or down by a range between 0% and 135% of the target STI pool based on achievement of corporate objectives, resulting in an "actual STI award pool". The STI award pool is the maximum cost of the STI programme for that year, limiting our aggregate cost.

Performance outcomes for FY23

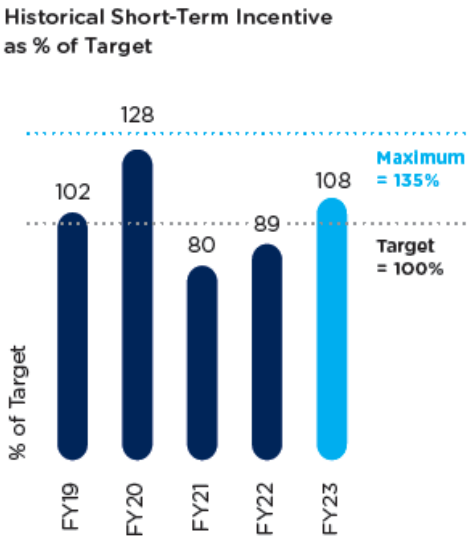
For FY23, the board was satisfied the overall gateway measure for the company was met. Our safety metrics are within the risk tolerance for FY23.

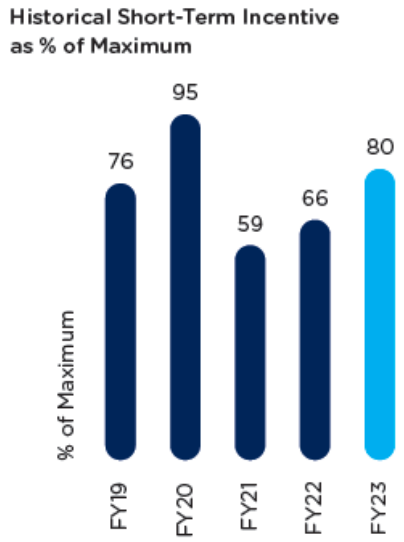
FY23 was a successful year of network investment and strong delivery against a network and operational plan to increase the availability of higher speeds for all premises, unlocking economic and social benefits across the country.

The board accordingly arrived at a figure of 80% of maximum for STIs for key management personnel. This was equivalent to a STI award pool of A$5.2 million for all eligible participating employees. See "— Remuneration of key management personnel" below for a summary of remuneration received by key management personnel during FY19 to FY23.

Historical STI awards

The charts below illustrates STI awards over the past five financial years (1) against the corporate performance factor and (2) as a percentage of the maximum:





Employment agreements and termination arrangement

With the exception of the CEO, all senior executives are permanent employees of NBN Co. Remuneration and other terms of employment for all senior executives are formalised in employment agreements, which are subject to law and include termination arrangements. The CEO's contractual arrangement is on a fixed term basis. NBN Co and Mr. Rue agreed and executed a contract extension of three years, ending in September 2026.

During FY23, the Remuneration Tribunal determined that the office of our CEO should be added to the published list of Principal Executive Offices and designated as a Band E role. The terms and conditions of our CEO's employment contract during FY23 have been unaffected by this designation.

The Remuneration Tribunal is an independent statutory body established under the Remuneration Tribunal Act 1973 (Cth). The Tribunal has the power to declare an office as a Principal Executive Office, or

PEO, assign each PEO a specified classification band and set benchmark reference rates for remuneration of a PEO.

For the CEO, the notice for termination that must be provided by either us or the CEO is six months. For senior executives, the standard notice for termination that must be provided by either us or the senior executive is three months.

Unless terminated for serious misconduct, where the employment of the CEO or a senior executive is terminated by us, he/she is entitled to a termination payment of six months' TFR. Treatment of termination payments are determined by the contractual entitlements in place for employees ceasing employment. The CEO's termination payments are determined in accordance with the applicable determination under the Remuneration Tribunal Act 1974 (Cth). Treatment of STI payments upon termination are covered by the STI programme rules which are reviewed annually.

Non-cash benefits

Executives are able to utilise salary packaging arrangements in line with our policies. The cost of any benefit, as well as any associated Fringe Benefits Tax, or FBT, is deducted from the executive's salary.

Other long-term benefits

The remaining long-term benefit is the accrual of statutory long service leave for employees.

Post-employment benefits

Superannuation contributions are included in individuals' TFR. There are currently no additional benefits, entitlements or arrangements in place for any senior executive.

Remuneration of key management personnel

Remuneration of senior executives

Remuneration for senior executives deemed to be key management personnel is shown in the table below for FY23, FY22 and FY21. We have applied the requirements of Public Governance, Performance and Accountability Rule 2014 in our disclosure for FY23, which includes the assessment of senior executives as key management personnel in accordance with the meaning defined in AASB 124 *Related Party Disclosures*. Comparative information presented has not been adjusted.

		Short-term benefits		**Post-employment**		**Other Benefits**			**Total**
		Base salary and fees A$[1]	**STI award** A$[2]	**Super-annuation** A$	**Other Post Employment** A$	**STI award deferral** A$[2]	**Long Service Leave** A$[3]	**Termination Benefits** A$	
Senior executives deemed to be KMP as at 30 June 2023									
S Rue	2023	2,203,295	704,376	25,292	–	–	104,053	–	3,037,016
	2022	2,112,862	697,808	23,568	–	–	96,890	–	2,931,128
	2021	1,821,708	734,400	21,694	–	–	70,172	–	2,647,974
K Dyer	2023	1,157,878	254,232	25,292	–	95,315	(13,146)	–	1,519,571
	2022	1,113,265	203,593	23,568	–	476,575	44,589	–	1,861,590
	2021	986,489	225,000	21,694	–	75,000	72,615	–	1,380,798
W Irving	2023	1,006,244	228,160	25,292	–	–	15,398	–	1,275,094
	2022	1,080,745	187,306	23,568	–	–	9,485	–	1,301,104
	2021	932,304	207,000	21,694	–	69,000	3,608	–	1,233,606
P Knox	2023	958,022	218,592	25,292	–	–	17,086	–	1,218,992
	2022	995,577	175,090	23,568	–	–	12,861	–	1,207,096
	2021	849,217	193,500	21,694	–	64,500	7,204	–	1,136,115
J Parkin	2023	836,951	176,040	25,292	–	–	14,705	–	1,052,988
	2022	695,785	131,459	23,568	–	–	12,723	–	863,535
	2021	567,143	135,000	21,694	–	45,000	6,593	–	775,430
A Perrin	2023	425,973	89,951	12,646	–	–	487	–	529,057
	2022	–	–	–	–	–	–	–	–
	2021	–	–	–	–	–	–	–	–
Former executives deemed to be KMP									
B Whitcomb[4]	2023	449,741	–	12,646	–	–	(206,685)	–	255,702
	2022	1,055,932	191,378	23,568	–	–	57,571	–	1,328,449

		Short-term benefits		Post-employment		Other Benefits			Total
		Base salary and fees A$[1]	STI award A$[2]	Super-annuation A$	Other Post Employment A$	STI award deferral A$[2]	Long Service Leave A$[3]	Termination Benefits A$	
	2021	927,608	211,500	21,694	–	70,500	45,840	–	1,277,142
Total	**2023**	**7,038,104**	**1,671,351**	**1,671,351**	**–**	**95,315**	**(68,102)**	**–**	**8,888,420**
	2022	**7,054,166**	**1,586,634**	**141,408**	**–**	**476,575**	**234,119**	**–**	**9,492,902**
	2021	**6,239,893**	**1,706,400**	**133,780**	**–**	**324,000**	**194,793**	**608,933**	**9,207,799**

Notes:

(1) 2023 base salary includes annual leave paid and the movement in the annual leave provision during the period calculated in accordance with AASB 119 Employee Benefits.

(2) The cash component of the STI award for FY23 was paid in August 2023. STI award deferral is no longer applicable to STI awards from FY22 onwards. During FY23, Ms K Dyer received a retention of employment payment of $571,890. This was recognised in FY22 and FY23 across the period to which the performance conditions to receive the payment related.

(3) Long service leave amounts relate to the movement in the provision for long service leave during the relevant period, which is calculated in accordance with the AAS. In estimating the provision consideration is given to expected future wage and salary levels, fulfilment of service level milestones and periods of service. Expected future payments are discounted using market yields at the balance date on national corporate bonds. Long service leave provisioning is adjusted for cessation of employment, including retirement, to reflect the settlement of any entitlements.

(4) Mr. B Whitcomb's FY23 base salary and superannuation include amounts paid until the effective date of his resignation on 30 November 2022.

Non-Executive Directors

Non-Executive Director fees

All Non-Executive Directors are appointed by the Commonwealth of Australia through our Shareholder Ministers.

Fees for Non-Executive Directors are set through the determinations of the Commonwealth Remuneration Tribunal, an independent statutory body overseeing the remuneration of key Commonwealth offices. We are regulated to comply with the Commonwealth Remuneration Tribunal's determinations and play no role in the consideration or determination of Non-Executive Director fees.

The Commonwealth Remuneration Tribunal sets annual Chair and board fees, exclusive of statutory superannuation contributions, that are inclusive of all activities undertaken by Non-Executive Directors on our behalf (that is, inclusive of committee participation). The Commonwealth Remuneration Tribunal has confirmed that there will be an increase in Non-Executive Directors fees for FY24. Statutory superannuation is paid in addition to the fees set by the Commonwealth Remuneration Tribunal.

Non-Executive Director fees, excluding superannuation, as directed by the Commonwealth Remuneration Tribunal for FY23, FY22 and FY21 are set out in the table below.

Board position	2022-23 annual entitlement from 1 July 2022	2021-22 annual entitlement from 1 July 2021	2020-21 annual entitlement from 1 July 2020
	A$		
Chair	233,180	226,930	226,930
Non-Executive Directors	116,650	113,520	113,520

Remuneration of Non-Executive Directors

Remuneration for Non-Executive Directors for FY23, FY22 and FY21 is shown in the table below.

		Short –term benefits	Post-employment	Total remuneration
		Director fees A$	Superannuation contributions A$	A$
Non-Executive Directors				
P Bains[1]	2023	116,650	12,248	128,898
	2022	32,082	3,208	35,290
	2021	–	–	–
N Caesar[2]	2023	116,650	12,248	128,898
	2022	56,760	5,676	62,436
	2021	–	–	–
D Clarke AO PSM	2023	116,650	12,248	128,898
	2022	113,520	11,352	124,872

	2021	113,520	10,784	124,304
A Dix	2023	116,650	12,248	128,898
	2022	113,520	11,352	124,872
	2021	26,660	2,533	29,193
S In't Veld[3]	2023	–	–	–
	2022	47,711	4,771	52,482
	2021	113,520	10,784	124,304
N Lockwood[4]	2023	116,650	12,248	128,898
	2022	32,082	3,208	35,290
	2021	–	–	–
M Malone	2023	116,650	12,248	128,898
	2022	113,520	11,352	124,872
	2021	113,520	10,784	124,304
K McKenzie	2023	233,180	24,484	257,664
	2022	170,225	17,022	187,247
	2021	113,520	10,784	124,304
Z McKenzie[5]	2023	–	–	–
	2022	48,945	4,895	53,840
	2021	113,520	10,784	124,304
E Parker[6]	2023	116,650	12,248	128,898
	2022	64,163	6,416	70,579
	2021	–	–	–
K Schott AO[7]	2023	–	–	–
	2022	58,111	5,811	63,922
	2021	113,520	10,784	124,304
Z Switowski AO[8]	2023	–	–	–
	2022	113,465	11,346	124,811
	2021	226,930	21,558	248,488
Total	**2023**	**1,049,730**	**110,220**	**1,159,950**
	2022	**964,104**	**96,409**	**1,060,513**
	2021	**934,710**	**88,797**	**1,023,507**

Notes:

(1) Ms. P Bains was appointed as a Non-Executive Director effective 19 March 2022.

(2) Ms N Caesar was appointed as Non-Executive Director effective 1 January 2022.

(3) Ms. S In't Veld ceased to be a Non-Executive Director effective 1 December 2021..

(4) Ms. N Lockwood was appointed as a Non-Executive Director effective 19 March 2022.

(5) Ms. Z McKenzie ceased to be a Non-Executive Director effective 6 December 2021.

(6) Ms. E Parker was appointed to a Non-Executive Director effective 8 December 2021.

(7) Mr. K Schott ceased to be a Non-Executive Director effective 5 January 2022.

(8) Mr. Z Switkowski ceased to be a Non-Executive Director effective 31 December 2021.

RELATIONSHIP WITH THE AUSTRALIAN GOVERNMENT

We are a wholly-owned government business enterprise of the Australian government. We were established in order to fulfil the national policy objective of making broadband internet access available to all Australian households and businesses through a nationwide open access wholesale broadband network.

We are subject to the National Broadband Network Companies Act 2011 (Cth) ("NBN Companies Act"). The NBN Companies Act requires us to operate primarily as a wholesale-only company, and constrains the scope of our commercial and operational activities. The NBN Companies Act also outlines a sequence of events that must occur before the Australian government as shareholder can commence a privatisation sale process; private ownership and control rules we must comply with; and reporting obligations that may apply if we cease being a wholly-owned Commonwealth company. See "Regulation" for further information.

The NBN Companies Act gives our Shareholder Ministers a range of powers to direct us to take a range of actions, including to make certain changes to our structure or the composition of our assets. The Shareholder Ministers have the power to direct us in writing to dispose of one or more of our assets (to a party other than an NBN corporation), or to transfer one or more of our assets to another NBN corporation. To date, these powers have not been used.

Our objectives have been set out by the government in a Statement of Expectations issued by our Shareholder Ministers from time to time. Our current objectives are set out in the Statement of Expectations released on 19 December 2022. It sets out the Australian government's broadband policy objectives and the principles by which we should pursue those objectives. The Statement of Expectations states that the enduring purpose of the NBN is to provide fast, reliable and affordable connectivity to enable Australia to seize the economic opportunities before it and service the best interests of consumers. We will enhance Australia's digital capability by delivering services to meet the current and future needs of households, communities and businesses, and promote digital inclusion and equitable access to affordable and reliable broadband services. We will operate on a commercial basis, drive a culture of efficiency and innovation that yields results, and meet the highest standards of transparency, governance and accountability.

The Statement of Expectations indicates that the Government will keep NBN Co in public hands for the foreseeable future to provide us with the certainty needed to continue delivering improvements to the network while keeping prices affordable.

In order to enhance Australia's digital capability and productivity, we are expected to, among other things:

- Continue to be a wholesale-only access network that is available to all access seekers;
- Offer products and pricing that promote the take up and utilisation of the NBN; and
- Upgrade and improve the network, including ensuring that 90% of premises in the fixed-line footprint have access to peak wholesale download speeds of up to 1 gigabit per second.

We are also expected to deliver greenhouse gas emissions reductions consistent with meeting or exceeding the Government's commitment to Net Zero emissions by 2050.

In order to promote equitable access, we are expected to, among other things:

- Through our own activities and working cooperatively with retail service providers, improve service quality of the NBN to meet the best interests of consumers;
- Support initiatives to improve digital inclusion, particularly for low income households and other vulnerable groups that face barriers to accessing high speed broadband; and
- Work collaboratively with First Nations Australians to improve digital inclusion.

In order to improve connectivity for regional and remote Australians, we are expected to, among other things:

- Ensure at least 660,000 premises in regional and remote Australia are included in the commitment to expand full-fibre access to a further 1.5 million premises;

- Efficiently implement upgrades to provide all premises in the fixed wireless network with access to wholesale download speeds of up to 100 Mbps and typical wholesale busy hour download speeds of at least 50 Mbps, and ensure that at least 80 per cent of premises in regional and remote Australia have access to wholesale download speeds of at least 100 Mbps by 2025;

- Improve the Sky Muster satellite service, including increasing wholesale monthly data allowances to on average at least 90 gigabytes per month on completion of the fixed wireless upgrade; and

- Continue to improve access and affordability to business grade services for businesses in regional and remote areas, including through continuing to expand the footprint of Business Fibre Zones in non-metropolitan areas and provision of business grade satellite services.

We are also expected to work with the Government and other parties on optimising the delivery of baseline voice and broadband services, including in regional and remote areas, and with due regard for our obligations as the default Statutory Infrastructure Provider.

The Statement of Expectations states that we must operate efficiently within our capital constraints and proactively manage costs. We need to be commercially sustainable to support efficient investment in the network, servicing and repaying our debt obligations, achieving and maintaining a standalone investment grade credit rating and providing an appropriate return to the Commonwealth as shareholder. However, the Statement of Expectations also recognises that there will need to be trade-offs between our commercial objectives and our obligations and policy expectations. The Government recognises that we will not be able to generate a commercial return in delivering all of our obligations, particularly in regional and remote Australia and expects that we will take a flexible approach to supporting these activities, including through contributions from the Regional Broadband Scheme and, where necessary, returns in other parts of our business. However, where this occurs, we are expected to be transparent, demonstrate that our expenditure is efficient, and maintain the flexibility to adopt future innovations and advancements. We are expected to inform the Government on circumstances where we consider there is a material trade-off between fulfilling or supporting a policy objective and our commercial objectives and consult with the Government on our approach to managing the trade-off in these circumstances.

The Government expects our Board to meet the highest standards of transparency, governance and accountability for corporate and government-owned entities, including, among other things, adopting the prevailing version of the *ASX Corporate Governance Principles and Recommendations* to the extent it is consistent with our other governance and accountability obligations. We are expected to have a transparent remuneration structure with fit for purpose targets that incentivise high performance beyond business as usual outcomes but are restrained and justifiable to the Parliament and the Australian public. We are expected to establish and maintain an appropriate system of risk oversight and management including in respect of cyber security risks and an appropriate system of internal controls. We are also expected to be a model employer that meets the high standards expected by the public in relation to the highest standards of respect, diversity and inclusion and the open disclosure of information that is reasonably in the public interest.

As our sole shareholder, the Australian government has appointed all of our directors. Our shareholder Departments, the Department of Communications and the Department of Finance, and their respective Ministers, our Shareholder Ministers, regularly consult with our management, review and comment on proposed actions and provide guidance on fulfilment of policy. As a result, the Australian government has considerable power to direct our activities. We devote considerable resources to keeping the government informed about our activities and plans, understanding government objectives and fulfilling our reporting and accountability obligations.

Our status as a government business enterprise also subjects us to heightened levels of transparency, scrutiny and accountability compared to a private sector business. Our Shareholder Ministers are publicly accountable to the Parliament of Australia and have an oversight role which extends beyond that of a private sector company shareholder. Under the Public Governance, Performance and Accountability Act 2013 (Cth) ("PGPA Act"), we are subject to additional obligations in relation to reporting, disclosure, accountability and use of resources, and our directors are subject to additional duties specific to government business enterprises.

We may become subject to various instruments and policies of the Australian government which may come into effect from time to time under, or in support of, the PGPA Act. We are also subject to Parliamentary scrutiny through Parliamentary Committees.

During FY23, we appeared before the Environment and Communications Legislation Committee for Budget Estimates and Supplementary Budget Estimates 2022-23 hearings, as well as Budget Estimates 2023-24 hearings (three hearings).

We received 63 indexed questions on notice during FY23 Estimates hearings in addition to the questions answered during hearings.

The NBN Companies Act requires us to be owned and controlled by the Commonwealth of Australia until stipulated events have occurred. The events that must occur before the Australian government as shareholder can commence a sale process to be privatised are:

- the Minister for Communications declaring that, in his or her opinion, the NBN should be treated as built and fully operational;
- the Productivity Commission, a statutory body whose role is to advise the Australian government on economic and regulatory matters, undertakes an inquiry in respect of specified matters and the report is tabled in Parliament;
- the Parliamentary Joint Committee on the Ownership of NBN Co examining, and reporting to Parliament, on the Productivity Commission's report;
- the Minister for Finance declaring that, in his or her opinion, conditions are suitable for entering into and carrying out of an NBN Co sale scheme (a scheme could comprise various matters, including selling all or part of us or our assets); and
- following the occurrence of the events noted above, a specified privatisation process can be executed.

On 11 December 2020, the then Minister for Communications declared that, in his opinion, our network should be treated as built and fully operational. None of the other stipulated events has yet occurred. In making the declaration, the Minister also noted that each of the remaining steps would take significant time.

If we are privatised in the future, we may be subject to ownership limitations. If we cease to be a wholly-owned Commonwealth company, but the Australian government retains a majority interest, we may continue to have significant ongoing obligations to report our activities, plans and results to the Australian government, and the government would continue to control who is appointed to our board. Following the election in May 2022, the government has stated that it will retain NBN Co in public ownership for the foreseeable future.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a "Temporary Bearer Global Note") or, if so specified in the applicable Pricing Supplement, a permanent global note (a "Permanent Bearer Global Note" and, together with a Temporary Bearer Global Note, each a "Bearer Global Note") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that customary certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent (as specified in the applicable Pricing Supplement).

On and after the date (the "Exchange Date") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) 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, 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 or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent (as specified in the applicable Pricing Supplement) requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent (as specified in the applicable Pricing Supplement) requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent (as specified in the applicable Pricing Supplement).

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

> "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 U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED."

The sections referred to provide that U.S. holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States to persons that are not U.S. persons, will initially be represented by a global note in registered form (a "Regulation S Global Note"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to QIBs. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "Rule 144A Global Note" and, together with a Regulation S Global Note, each a "Registered Global Note"). No sale of Legended Notes (as defined under "Additional U.S. Information" above) in the United States to any one purchaser will be for less than U.S.$200,000 (or its foreign currency equivalent) principal amount.

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, the DTC or (ii) be deposited with a common depositary, and registered in the name of the nominee for the common depositary of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form. The Registered Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.5) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or any Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.5) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Notes and no alternative clearing

system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, 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, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the relevant Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the relevant 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 relevant Registrar.

Transfer of interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "Subscription and Sale and Transfer and Selling Restrictions".

General

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes"), the Principal Paying Agent (as specified in the applicable Pricing Supplement) shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and/or DTC on and subject to the terms of a deed of covenant dated 16 April 2021 and executed by the Issuer (as amended and/or supplemented from time to time, the "Deed of Covenant"). In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the conditions of the Notes, in which event a supplement to this offering circular or a new offering circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore (where such Notes may be presented or surrendered for payment or redemption) in the event that any of the Global Notes representing such Notes are exchanged for definitive Notes. In addition, in the event that any Global Note is exchanged for definitive Notes, an

announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes, whatever the denomination of those Notes, issued under the Programme.

[The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act"), or any state securities laws in the United States or any other jurisdiction, and the Notes may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons unless an exemption from the registration requirements of the Securities Act is available and the offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Notes are being offered and sold outside the United States to persons that are not U.S. persons in reliance on Regulation S ("Regulation S") under the Securities Act. See "Form of the Notes" for a description of the manner in which Notes will be issued. The Notes are subject to certain restrictions on transfer, see "Important Information" and "Subscription and Sale and Transfer and Selling Restrictions" in the offering circular (as defined below).][1]

[The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act"), or any state securities laws in the United States or any other jurisdiction, and are offered only (i) to "qualified institutional buyers", as defined in Rule 144A under the Securities Act ("Rule 144A"), in reliance on Rule 144A under the Securities Act and (ii) outside the United States to persons that are not "U.S. persons" (as defined in Rule 902(k) under the Securities Act) in reliance upon Regulation S under the Securities Act. Prospective purchasers are hereby notified that the seller of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See "Form of the Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "Important Information" and "Subscription and Sale and Transfer and Selling Restrictions" in the offering circular (as defined below).][2]

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

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

[**MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the

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1 Retain for Reg S issuances; delete for Rule 144A issuances.

2 Retain for Rule 144A issuances; delete for Reg S issuances.

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

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

[[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time** (the "SFA") - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products*)]][3]

None of the offering circular (as defined below) or any other disclosure document in relation to the Notes has been, and nor will any such document be, lodged with the Australian Securities and Investments Commission and no such document is, and nor does it purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act 2001 of Australia (the "Corporations Act"). The offering circular is not intended to be used in connection with any offer for which such disclosure is required and such document does not contain all the information that would be required by those provisions if they applied. The offering circular is not to be provided to any "retail client" as defined in section 761G of the Corporations Act and such document does not take into account the individual objectives, financial situation or needs of any prospective investor.

The Notes are not obligations of any government or governmental agency and in particular are not guaranteed by the Commonwealth of Australia.

[*Date*]

NBN CO LIMITED

(LEI 2549007CRZ2NT7S96A24)

3 Relevant Dealer(s) to consider whether it/they has/have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA. If there is a change as to product classification for the relevant drawdown, from the upfront classification embedded in the programme documentation, then the legend is to be completed and used (if no change as to product classification, then the legend may be deleted in its entirety).

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$50,000,000,000
Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the offering circular dated [●] September 2023 [as supplemented by the supplement[s] dated [*date[s]*]] (the "offering circular"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the offering circular. Copies of the offering circular may be obtained from [*address*].

Terms used herein[, including in the Schedules to this Pricing Supplement,] shall be deemed to be defined as such for the purposes of the Conditions of the Notes (the "Conditions") set forth in the offering circular dated [●] September 2023 [and the supplement dated [*date*]] which are incorporated by reference in the offering circular].

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.*]

1.	Issuer:		NBN Co Limited (ACN 136 533 741)
2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[●]
	(b)	Tranche:	[●]
5.	Issue Price:		[●] % of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(a)	Specified Denominations:	[●]
	(b)	Calculation Amount (in relation to calculation of interest in global form see Conditions):	[●] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of*

			two or more Specified Denominations. A Calculation Amount of less than 1,000 units of the relevant currency may result in practical difficulties for the paying agents and/or clearing systems who should be consulted if such an amount is proposed.)
7.	(a)	Trade Date:	[●]
	(b)	Issue Date:	[●]
	(c)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
8.	Maturity Date:		[*Specify date or for* *Floating Rate Notes* - Interest Payment Date falling in or nearest to [*specify month and year*]]
9.	Interest Basis:		[[●]% Fixed Rate] [[*specify Reference Rate*] +/- [●]% Floating Rate] [Zero Coupon] [*specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:		[Redemption at par] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:		[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*][Not Applicable]
12.	Put/Call Options:		[Investor Put] [Change of Control Trigger Event] [Issuer Call] [Not Applicable] (*N.B. Where the Put/Call Option is anything other than "Not Applicable", insert also "(further particulars specified below)"*)
13.	(a)	Status of the Notes:	Senior, unsecured
	(b)	[Date [Board] approval for issuance of Notes obtained:	[●] [and [●], respectively]] (*N.B. Only relevant where Board (or similar)*

			authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[●]% per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[●] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[●] per Calculation Amount
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
	(e)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/*specify other*]
	(f)	Determination Date(s):	[[●] in each year][Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
15.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*specify other*]] [Not Applicable]

(c)	Additional Business Centre(s):	[●]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[●] (the "Calculation Agent")
(f)	Screen Rate Determination:	
	• Reference Rate:	[[●] month/EURIBOR/Compounded Daily SONIA/ Compounded Daily SOFR] *(Either EURIBOR, Compounded Daily SONIA, Compounded SOFR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
	• Interest Determination Date(s):	[●]/[Second day on which T2 is open prior to the start of each Interest Period (*if EURIBOR*)]/[The day falling the number of London Banking Days included in the below SONIA Observation Look-Back Period prior to the day on which the relevant Interest Accrual Period ends (but which by its definition is excluded from the Interest Accrual Period)/The day falling the number of U.S. Government Securities Business Days included in the below SOFR Observation Shift Period prior to the day on which the relevant Interest Period ends (but which by its definition is excluded from the Interest Period)] *(Unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable, the Interest Determination Date for Notes cleared through Euroclear/Clearstream, Luxembourg must be at least 5 London Business Days prior to the Interest Payment Date)*
	• Relevant Screen Page:	[●] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
	• SONIA Observation Method:	[Not Applicable/Lag/Shift] (*Only include for Floating Rate Notes for which the Reference Rate is specified as being "Compounded Daily SONIA"*)
	• SONIA Observation Look-Back Period:	[5/[●] [London Banking Day[s]]/[Not Applicable] (*N.B. When setting the SONIA Observation Look-Back Period, the practicalities of this period should be discussed with the Principal Paying Agent or the*

Calculation Agent, as applicable. It is anticipated that '(p)' will be no fewer than 5 London Banking Days unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable.)

(*Only include for Floating Rate Notes for which the Reference Rate is specified as being "Compounded Daily SONIA"*)

- SOFR Observation Shift Period: [[●] U.S. Government Securities Business] Day[s]]/[Not Applicable]

  (*N.B. When setting the SOFR Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or the Calculation Period, as applicable. It is anticipated that '(p)' will be no fewer than 5 U.S. Government Securities Business Days unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable.*)

- Index Determination: [Applicable]/[Not Applicable]

- Specified Time: [●]

(g) ISDA Determination: [Applicable]/[Not Applicable]

- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]

- Floating Rate Option: [●]

- Designated Maturity: [●]/[Not Applicable]

- Reset Date: [●]

- Compounding: [Applicable]/[Not Applicable]

- Overnight Rate Compounding Method: [Compounding with Lookback

  Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]

  [Compounding with Observation Period Shift

  Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

  Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

  [Compounding with Lockout

  Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

Lockout Period Business Days: [●]/[Applicable Business Days]]

(N.B. When setting the applicable number of days with reference to the items above (if applicable), the practicalities of such period should be discussed with the Principal Paying Agent or the Calculation Agent, as applicable. It is anticipated that the Relevant Number will be no fewer than 5 such days unless otherwise agreed with the Principal Paying Agent or the Calculation Agent, as applicable/required.)

- Averaging: [Applicable/Not Applicable]

- Averaging Method:

[Averaging with Lookback

Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]

[Averaging with Observation Period Shift

Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

[Averaging with Lockout

Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Lockout Period Business Days: [●]/[Applicable Business Days]]

- Index Provisions: [Applicable/Not Applicable]

- Index Method:

Compounded Index Method with Observation Period Shift

Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

(N.B. When setting the applicable number of days with reference to the items above (if applicable), the practicalities of such period should be discussed with the Principal Paying Agent or the Calculation Agent, as applicable. It is anticipated that the Relevant Number will be no fewer than 5 such days unless otherwise agreed with the Principal Paying

			Agent or the Calculation Agent, as applicable/required.)
	(h)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(i)	Margin(s):	[+/-] [●]% per annum
	(j)	Minimum Rate of Interest:	[[●]% per annum]/[Not Applicable]
	(k)	Maximum Rate of Interest:	[[●]% per annum]/[Not Applicable]
	(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA) [*Other*]
	(m)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
16.	Zero Coupon Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[●]% per annum
	(b)	Reference Price:	[●]
	(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes:	[●]
	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 7.2:		Minimum period: 30 days Maximum period: 60 days
18.	Issuer Call:		Applicable
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount]
	(c)	If redeemable in part:	[Applicable/Not Applicable]
		(i) Minimum Redemption Amount:	[●] per Calculation Amount/[Not Applicable]
		(ii) Maximum Redemption Amount:	[●] per Calculation Amount/[Not Applicable]
	(d)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
19.	Investor Put:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/specify other/see Appendix]
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems* (*which require a minimum of 15 clearing system business days' notice for a put*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.*)
20.	(a)	Change of Control Trigger Event:	[Applicable/Not Applicable]
	(b)	Change of Control Redemption Amount:	[[●] per Calculation Amount/specify other/see Appendix]
21.	Final Redemption Amount:		[[●] per Calculation Amount/specify other/see Appendix]
22.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required):		[[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	
		[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes upon an Exchange Event] [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for definitive Notes upon an Exchange Event] [Registered Notes: [Regulation S Global Note(s) [(U.S.$[●] aggregate nominal amount)] registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]] [Rule 144A Global Note(s) [(U.S.$[●] aggregate nominal amount)] registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]
24.	Additional Financial Centre(s):	[Not Applicable/*give details*] (*Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(c) relates*)
25.	Talons for future Coupons to be attached to definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
26.	Details relating to Instalment Notes:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Instalment Amount(s):	[*give details*]
	(b) Instalment Date(s):	[*give details*]
27.	Other terms or special conditions:	[Not Applicable/*give details*]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [(*Relevant third party information*) has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[**LISTING APPLICATION**

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on The Singapore Exchange Securities Trading Limited (the "SGX-ST") of the Notes described herein pursuant to the U.S.$50,000,000,000 Global Medium Term Note Programme of NBN Co Limited.

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Notes to the Official List of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, its associated companies, the Programme or the merits of investing in such Notes.]

EXECUTED for and on behalf of **NBN CO LIMITED (ACN 136 533 741)** by its attorneys under a power of attorney dated 21 September 2021 [and an instrument of authorisation dated 27 April 2023] and the attorneys declare that the attorneys have not received any notice of the revocation of such power of attorney [or instrument of authorisation])

_____	_____
Signature of attorney	Signature of attorney
_____	_____
Name of attorney	Name of attorney

PART B – OTHER INFORMATION

1. LISTING:

[Application [has been made/is expected to be made] by]/[Approval in principle has been received by] the Issuer (or on its behalf) for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited with effect from [●].] /[Not Applicable]

2. RATINGS:

[[The Notes to be issued have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act; and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person is not entitled to receive the offering circular and anyone who receives the offering circular must not distribute it to any other person who is not entitled to receive it.]

[The Notes have not specifically been rated.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*.]

4. OPERATIONAL INFORMATION

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	CUSIP:	[●]
(iv)	CINS:	[●]

(v)	CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vi)	FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(vii)	Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(viii)	Delivery:	Delivery [against/free of] payment
(ix)	Principal Paying Agent	The Bank of New York Mellon[, London Branch]
(x)	Registrar	[The Bank of New York Mellon/The Bank of New York SA/NV, Luxembourg Branch/Not Applicable]
(xi)	Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable]/[●]

5. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(iii)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name(s)*]
(iv)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [Rule 144A] [TEFRA D/TEFRA C/TEFRA not applicable]
(vi)	Additional selling restrictions:	[Not Applicable/*give details*]

6. [HONG KONG SFC CODE OF CONDUCT]

(i)	Rebates:	[A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as

		principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
(ii)	Contact e-mail addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – Overall Coordinators to provide*] / [Not Applicable]
(iii)	Marketing and Investor Targeting Strategy:	[*If different from the programme offering circular*]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, only if permitted and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to Notes 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 Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "applicable Pricing Supplement" for a description of the content of the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by NBN Co Limited ACN 136 533 741 (the "Issuer") pursuant to the Agency Agreement (as defined below).

References herein to the "Notes" shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a "Global Note"), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form ("Bearer Notes") issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form ("Registered Notes") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") dated 15 September 2023 and made between the Issuer, The Bank of New York Mellon, London Branch as EU issuing and principal paying agent and agent bank (the "EU Principal Paying Agent", which expression shall include any successor EU principal paying agent), The Bank of New York Mellon as US issuing and principal paying agent and agent bank (the "U.S. Principal Paying Agent", which expression shall include any successor U.S. principal paying agent (together with the EU Principal Paying Agent, the "Principal Paying Agents" and each a "Principal Paying Agent") and the other paying agents named therein (together with the Principal Paying Agents, the "Paying Agents", which expression shall include any additional or successor paying agents), The Bank of New York SA/NV, Luxembourg Branch as EU registrar (the "EU Registrar", which expression shall include any successor EU registrar), transfer agent and the other transfer agents named therein (together with the EU Registrar, the "Transfer Agents", which expression shall include any additional or successor transfer agents) and The Bank of New York Mellon as US registrar (the "U.S. Registrar" which expression shall include any successor U.S. registrar (together with the EU Registrar, the "Registrars" and each a "Registrar"). The relevant Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Pricing Supplement), the relevant Registrar, the Paying Agents and other Transfer Agents are together referred to as the "Agents".

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which 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 purpose of this Note. References to the "applicable Pricing Supplement" are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest-bearing definitive Bearer Notes have interest coupons ("Coupons") and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, 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. Notes in definitive bearer form which are repayable in instalments have receipts ("Receipts") for the payment of the instalments of principal (other

than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to "Noteholders" or "holders" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "Receiptholders" shall mean the holders of the Receipts and any reference herein to "Couponholders" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "Tranche" means Notes which are identical in all respects and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated 16 April 2021 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

As used herein, the term Principal Paying Agent shall mean whichever one of the EU Principal Paying Agent or the U.S. Principal Paying Agent is specified as such in the applicable Pricing Supplement. As used herein, the term Registrar shall mean whichever one of the EU Registrar or the U.S. Registrar is specified as such in the applicable Pricing Supplement.

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent). The applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

In the Conditions, "euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the "Specified Currency") and the denominations (the "Specified Denomination(s)") specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may also be an Instalment Note depending upon the Redemption Payment Basis shown in the applicable Pricing Supplement.

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

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note 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 Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking S.A. ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes 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 and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

For so long as the Depository Trust Company ("DTC") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and those Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, 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 transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the Specified Denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Conditions 2.3 and 2.6 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any 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 (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) 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 Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, 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 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 Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders 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.

2.5 Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note 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; or

(b) 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.

In the case of (a) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (A) beneficial interests in Regulation S Global Notes 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 (B) such certification requirements will no longer apply to such transfers.

2.6 Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the 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 Note 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 Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(b) to a transferee who takes delivery of such interest through a Legended Note 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

(c) 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 Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, 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.

2.7 Definitions

In this Condition, the following expressions shall have the following meanings:

"Distribution Compliance Period" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes;

"Legended Note" means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a "Legend");

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

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

"Regulation S Global Note" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

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

"Rule 144A Global Note" means a Registered Global Note representing Notes sold in the United States or to QIBs; and

"Securities Act" means the United States Securities Act of 1933.

3. STATUS OF THE NOTES

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* and without

any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. NEGATIVE PLEDGE

So long as any Note remains outstanding, the Issuer will not create, or allow to subsist, any Security Interest (as defined below) other than a Permitted Security Interest (as defined below) upon the whole or any part of its present or future assets or revenues to secure any other indebtedness, unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(a) all amounts payable by the Issuer under the Notes are secured by the Security Interest equally and rateably with that other indebtedness; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as shall be approved by an Extraordinary Resolution (as defined in Schedule 4 of the Agency Agreement) of the Noteholders.

In these Conditions:

"Corporations Act" means the Corporations Act 2001 (Cth) of Australia, as amended;

"Financial Statements" means the financial statements of the Issuer, comprising:

(a) a statement of financial position as at the end of that period;

(b) a statement of profit or loss and other comprehensive income for that period;

(c) a statement of changes in equity for that period; and

(d) a statement of cash flows for that period,

in respect of each financial year or half year together with notes to the financial statements and directors' declaration;

"Permitted Security Interest" means:

(a) any Security Interest that arises by operation of law or which arises in the ordinary course of day-to-day business;

(b) any right of title retention in connection with the acquisition of assets in the ordinary course of business;

(c) any netting or set-off arrangement entered into in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;

(d) any Security Interest over or affecting any asset or any entity which is in existence prior to that asset or entity being acquired by the Issuer provided it was not created in contemplation of that acquisition;

(e) any Security Interest provided for by one of the follow transactions, provided the transaction does not secure payment or performance of an obligation:

(i) a transfer of an account or chattel paper;

(ii) commercial assignment; or

(iii) a PPS lease (as defined in the Personal Property Securities Act 2009 (Cth)); and

(f) any other Security Interests which do not in aggregate secure a principal amount exceeding 15% of Total Assets;

"Security Interest" means any mortgage, charge, lien, pledge or other security interest securing any obligation on any other person or any other agreement, notice or arrangement having a similar effect;

"Subsidiary" means an entity which is a subsidiary within the meaning of the Corporations Act but as if a body corporate included any entity; and

"Total Assets" means the Issuer's total assets as shown in the Issuer's most recent financial Statements.

5. INTEREST

The applicable Pricing Supplement will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes or whether a different interest basis applies.

5.1 Interest on Fixed Rate Notes

This Condition 5.1 applies to Fixed Rate Notes only. The applicable Pricing Supplement contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Pricing Supplement will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, 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. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to 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 Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rate Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded 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 Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note 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 5.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

(i) in the case of Notes 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 Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) 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

(B) 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; and

(b) if "30/360" is specified in the applicable Pricing Supplement, 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.

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); and

"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, one cent.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

This Condition 5.2 applies to Floating Rate Notes only. The applicable Pricing Supplement contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Pricing Supplement will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due (if it is not the Principal Paying Agent), the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Pricing Supplement will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable

Pricing Supplement will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, 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 Pricing Supplement 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, "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 or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement 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:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(i) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) 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 (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) 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

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) 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

(D) 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) 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 London, Sydney and each Additional Business Centre (other than T2) specified in the applicable Pricing Supplement;

(b) if T2 is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system ("T2") is open; and

(c) 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 (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating (i) if "2006 ISDA Definitions" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("ISDA") and as amended and updated; or (ii) if "2021 ISDA Definitions" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA (together, the "ISDA Definitions") each as at the Issue Date of the first Tranche of the Notes, and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity, if applicable, is a period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on Euribor or on SONIA, the first day of that Interest Period or (ii) in any other case, the day specified in the applicable Pricing Supplement;

(D) the definition of "Fallback Observation Day" in the ISDA Definitions shall be deemed deleted in its entirety and replaced with the following: "*Fallback Observation Day" means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Payment Date;*

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Pricing Supplement:

(1) Compounding with Lookback;

(2) Compounding with Observation Period Shift; or

(3) Compounding with Lockout; and

(F) if the specified Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period shift as specified in the applicable Pricing Supplement.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers, financial centres or other items specified in the relevant confirmation shall be deemed to be references to the numbers, financial centres or other items specified for such purpose in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), "Floating Rate", "Floating Rate Option", "Designated Maturity", "Reset Date", "Overnight Floating Rate Option", "Overnight Rate Compounding Method", "Compounding with Lookback", "Compounding with Observation Period Shift", "Compounding with Lockout", "Averaging with Lookback", "Averaging with Observation Period Shift", "Averaging with Lockout", "Compounded Index Floating Rate Option", "Index Method" and "Compounded Index Method with Observation Period Shift" have the meanings given to those terms in the ISDA Definitions.

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

(ii) Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA or Compounded Daily SOFR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, and the Reference Rate is specified in the applicable Pricing Supplement as being "EURIBOR", the Rate of Interest for each Interest Period will, subject to Condition 5.4 and subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either EURIBOR or other, as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. 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 Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

In the event that the Relevant Screen Page is not available or if, in the case of paragraph (A) above, no such offered quotation appears or, in the case of paragraph (B) above, fewer than three of the offered quotations appear, in each case as at the Specified Time, the Issuer (or an independent adviser appointed by it) shall request each of the Reference Banks (as defined below) to provide its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as notified to and determined by the Principal Paying Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issuer (or an independent adviser appointed by it) with an offered quotation as provided in the

preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as applicable determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Issuer (or an independent adviser appointed by it) by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuer (or an independent adviser appointed by it) with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issuer (or an independent adviser appointed by it) it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

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

(iii) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Pricing Supplement as being "Compounded Daily SONIA", the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA with respect to such Interest Period plus or minus the Margin (if any) as specified in the applicable Pricing Supplement, all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

"Compounded Daily SONIA" means, with respect to an Interest Period:

(A) if Index Determination is specified as being applicable in the applicable Pricing Supplement, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{SONIA\ Compounded\ Index_{Y}}{SONIA\ Compounded\ Index_{X}} - 1\right) x \frac{365}{d}$$

where:

"SONIA Compounded $Index_x$" is the SONIA Compounded Index for the day falling p London Banking Days prior to the first day of the relevant Interest Period;

"SONIA Compounded $Index_y$" is the SONIA Compounded Index for the day falling p London Banking Days prior to the last day of the relevant Interest Period;

"d" is the number of calendar days in the relevant SONIA Observation Period;

provided that if the SONIA Compounded Index required to determine SONIA Compounded $Index_x$ or SONIA Compounded $Index_y$ does not appear on the Bank of England's Interactive Statistical Database, or any successor source on which the compounded daily SONIA rate is published by the Bank of England (or any successor administrator of SONIA), at the Specified Time on the relevant London Banking Day (or by 5:00 p.m. London time or such later time failing one hour after the customary or scheduled time for publication of the SONIA Compounded Index in accordance with the then-prevailing operational procedures of the administrator of the SONIA Reference Rate or SONIA authorised distributors, as the case may be), then Compounded Daily SONIA for such Interest Period and each subsequent Interest Period shall be "Compounded Daily SONIA" determined in accordance with paragraph (B) below and for these purposes the "SONIA Observation Method" shall be deemed to be "Shift"; or

(B) if either (x) Index Determination is specified as being not applicable in the applicable Pricing Supplement, or (y) this Condition 5.2(b)(iii)(B) applies to such Interest Period pursuant to the proviso in Condition 5.2(b)(iii)(A) above, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i\text{ - }pLBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"d" is the number of calendar days in (where in the applicable Pricing Supplement "Lag" is specified as the SONIA Observation Method) the relevant Interest Period or (where in the applicable Pricing Supplement "Shift" is specified as the SONIA Observation Method) the relevant SONIA Observation Period;

"d_0" is the number of London Banking Days in (where in the applicable Pricing Supplement "Lag" is specified as the SONIA Observation Method) the relevant Interest Period or (where in the applicable Pricing Supplement "Shift" is specified as the SONIA Observation Method) the SONIA Observation Period;

"i" is a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in (where in the applicable Pricing Supplement "Lag" is specified as the SONIA Observation Method) the relevant Interest Period or (where in the applicable Pricing Supplement "Shift" is specified as the SONIA Observation Method) the SONIA Observation Period;

"n_i", for any London Banking Day "i", is the number of calendar days from (and including) such London Banking Day "i" up to (but excluding) the following London Banking Day;

"$SONIA_{i\text{-}pLBD}$" means:

(1) where in the applicable Pricing Supplement "Lag" is specified as the SONIA Observation Method, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i"; or

(2) where in the applicable Pricing Supplement "Shift" is specified as the SONIA Observation Method, "$SONIA_{i\text{-}pLBD}$" shall be replaced in the above formula with "$SONIA_i$", where "$SONIA_i$" means, in respect of any London Banking Day "i" falling in the relevant SONIA Observation Period, the SONIA Reference Rate for such London Banking Day "i".

In the event that London Banking Day "i" cannot be determined by the Principal Paying Agent or the Calculation Agent, as applicable, in accordance with the foregoing provisions, the Rate of Interest shall be:

(1) determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, the Maximum Rate of Interest and/or the Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).

For the purposes of this Condition 5.2(b)(iii):

"London Banking Day" or "LBD" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"p" means the number of London Banking Days included in the SONIA Observation Look-Back Period, as specified in the applicable Pricing Supplement;

"SONIA" has the meaning given to it in the definition of SONIA Reference Rate;

"SONIA Compounded Index" means, in respect of any London Banking Day, the compounded daily SONIA rate for such London Banking Day as published by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source on which the compounded daily SONIA rate is published by the Bank of England (or a successor administrator of SONIA), at the Specified Time on such London Banking Day;

"SONIA Observation Look-Back Period" means the period specified as such in the applicable Pricing Supplement;

"SONIA Observation Period" means, in respect of any Interest Period, the period from (and including) the date falling p London Banking Days prior to the first day of such relevant Interest Period to (but excluding) the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"SONIA Reference Rate" means, in respect of any London Banking Day, the daily Sterling Overnight Index Average ("SONIA") rate for such London Banking Day as provided by the Bank of England (or a successor administrator of SONIA) to authorised distributors (the "SONIA authorised distributors") and as then published on the Relevant Screen Page (or, if

the Relevant Screen Page is unavailable, as otherwise published by the SONIA authorised distributors) on the London Banking Day immediately following such London Banking Day; provided that if, in respect of any London Banking Day, the applicable SONIA Reference Rate is not made available on the Relevant Screen Page or has not otherwise been published by the SONIA authorised distributors by 5.00 p.m. London time, then (unless the Principal Paying Agent or the Calculation Agent, as applicable, has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 5.4 below, if applicable) the SONIA Reference Rate in respect of such London Banking Day shall be:

(A) the sum of (i) the Bank of England's Bank Rate (the "Bank Rate") prevailing at 5.00 p.m. London time (or, if earlier, close of business) on such London Banking Day; and (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

(B) if the Bank Rate described in sub-clause (I) above is not available at such time on such London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the SONIA authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the SONIA authorised distributors); and

"Specified Time" means 10:00 a.m., London time, or such other time as is specified in the applicable Pricing Supplement.

(iv) Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SOFR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Pricing Supplement as being "Compounded Daily SOFR", the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR for such Interest Period plus or minus (as specified in the applicable Pricing Supplement) the Margin (if any), all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

"Compounded Daily SOFR" means, with respect to an Interest Period,

(A) if Index Determination is specified as being applicable in the applicable Pricing Supplement, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

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

where:

"SOFR $Index_{Start}$" is the SOFR Index value for the day falling "p" U.S. Government Securities Business Days prior to the first day of the relevant Interest Period;

"SOFR $Index_{End}$" is the SOFR Index value for the day falling "p" U.S. Government Securities Business Days prior to the last day of the relevant Interest Period; and

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

provided that, if the SOFR Index value required to determine SOFR $Index_{Start}$ or SOFR $Index_{End}$ does not appear on the SOFR Administrator's Website at the Specified Time on the relevant U.S. Government Securities Business Day (or by 3:00 p.m. New York City time on the immediately following U.S. Government Securities Business Day or such later time falling one hour after the customary or scheduled time for publication of the SOFR Index value in accordance with the then-prevailing operational procedures of the administrator of SOFR Index), "Compounded Daily SOFR" for such Interest Period and each Interest Period thereafter will be determined in accordance with Condition 5.2(b)(iv)(B); or

(B) if either (x) Index Determination is specified as being not applicable in the applicable Pricing Supplement, or (y) this Condition 5.2(b)(iv)(B) applies to such Interest Period pursuant to the proviso in Condition 5.2(b)(iv)(A) above, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

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

"d_0" is the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"i" is a series of whole numbers from one to "d_0", each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Observation Period;

"n_i", for any U.S. Government Securities Business Day "i", in the relevant SOFR Observation Period, is the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day ("i+1"); and

"$SOFR_i$" means, in respect of any U.S. Government Securities Business Day "i" falling in the relevant SOFR Observation Period, the SOFR Reference Rate for such U.S. Government Securities Business Day.

If the SOFR Benchmark Replacement is at any time required to be used pursuant to paragraph (C) of the definition of SOFR Reference Rate, then the SOFR Benchmark Replacement Agent will determine the SOFR Benchmark Replacement in accordance with the definition thereof with respect to the then-current SOFR Benchmark, and if the SOFR Benchmark Replacement Agent has so determined the SOFR Benchmark Replacement, then:

(A) the SOFR Benchmark Replacement Agent shall also determine the method for determining the rate described in sub-paragraph (a) of paragraph (A), (B) or (C) of the definition of SOFR Benchmark Replacement, as applicable (including (i) the page, section or other part of a particular information service on or source from which such rate appears or is obtained (the "Alternative Relevant Source"), (ii) the time at which such rate appears on, or is obtained from, the Alternative Relevant Source (the "Alternative Specified Time"), (iii) the day on which such rate will appear on, or is obtained from, the Relevant Source in respect of each U.S. Government Securities Business Day (the "Alternative Relevant Date"), and (iv) any alternative method for

determining such rate if is unavailable at the Alternative Specified Time on the applicable Alternative Relevant Date), which method shall be consistent with industry-accepted practices for such rate;

(B) from (and including) the Affected Day, references to the Specified Time shall in these Conditions be deemed to be references to the Alternative Specified Time;

(C) if the SOFR Benchmark Replacement Agent, as applicable, determine that (i) changes to the definitions of Business Day, Business Day Convention, Compounded Daily SOFR, Day Count Fraction, Interest Determination Date, Interest Payment Date, Interest Period, SOFR Observation Period, SOFR Reference Rate or U.S. Government Securities Business Day and/or (ii) any other technical changes to any other provision in this Condition 5.2(b)(iv)(C), are necessary in order to implement the SOFR Benchmark Replacement (including any alternative method described in sub-paragraph (iv) of paragraph (A) above) as the SOFR Benchmark in a manner substantially consistent with market practice (or, if the SOFR Benchmark Replacement Agent decide that adoption of any portion of such market practice is not administratively feasible or if the SOFR Benchmark Replacement Agent, as the case may be, determines that no market practice for use of the SOFR Benchmark Replacement exists, in such other manner as the SOFR Benchmark Replacement Agent determines is reasonably necessary), the Issuer, the Principal Paying Agent and/or the Calculation Agent, as applicable, shall agree without any requirement for the consent or approval of Noteholders to the necessary modifications to these Conditions and/or the Agency Agreement in order to provide for the amendment of such definitions or other provisions to reflect such changes; and

(D) the Issuer will give notice or will procure that notice is given as soon as practicable to the Principal Paying Agent and the Calculation Agent, as applicable, and to the Noteholders in accordance with Condition 14, specifying the SOFR Benchmark Replacement, as well as the details described in paragraph A above and the amendments implemented pursuant to paragraph (C) above.

For the purposes of this Condition 5.2(b)(iv):

"Corresponding Tenor" means, with respect to a SOFR Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding any applicable Business Day Convention) as the applicable tenor for the then-current SOFR Benchmark;

"ISDA Definitions" means the 2006 ISDA Interest Rate Derivatives Definitions published by ISDA or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"ISDA Fallback Adjustment" means, with respect to any ISDA Fallback Rate, the spread adjustment, which may be a positive or negative value or zero, that would be applied to such ISDA Fallback Rate in the case of derivative transactions referencing the ISDA Definitions that will be effective upon the occurrence of an index cessation event with respect to the then-current SOFR Benchmark for the applicable tenor;

"ISDA Fallback Rate" means, with respect to the then-current SOFR Benchmark, the rate that would apply for derivative transactions referencing the ISDA Definitions that will be effective upon the occurrence of an index cessation date with respect to the then-current SOFR Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

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

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or

convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York or any successor thereto;

"SOFR" means, in respect of any U.S. Government Securities Business Day, the daily secured overnight financing rate for such U.S. Government Securities Business Day as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate);

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate or the SOFR Index, as applicable);

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, or any successor source;

"SOFR Benchmark" means SOFR, provided that if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR or such other then-current SOFR Benchmark, then "SOFR Benchmark" means the applicable SOFR Benchmark Replacement;

"SOFR Benchmark Replacement" means, with respect to the then-current SOFR Benchmark, the first alternative set forth in the order presented below that can be determined by the SOFR Benchmark Replacement Agent, if any, as of the SOFR Benchmark Replacement Date with respect to the then-current SOFR Benchmark:

(A) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the applicable Corresponding Tenor and (b) the SOFR Benchmark Replacement Adjustment; or

(B) the sum of (a) the ISDA Fallback Rate and (b) the SOFR Benchmark Replacement Adjustment;

(C) the sum of: (a) the alternate rate of interest that has been selected by the SOFR Benchmark Replacement Agent, if any, as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the SOFR Benchmark Replacement Adjustment, provided that, (i) if the SOFR Benchmark Replacement Agent determines that there is an industry-accepted replacement rate of interest for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time, it shall select such industry-accepted rate, and (ii) otherwise, it shall select such rate of interest that it has determined is most comparable to the then-current Benchmark, and the SOFR Benchmark Replacement Adjustment;

"SOFR Benchmark Replacement Adjustment" means, with respect to any Benchmark Replacement, the first alternative set forth in the order below that can be determined by the SOFR Benchmark Replacement Agent as of the SOFR Benchmark Replacement Date with respect to the then-current Benchmark:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, which may be a positive or negative value or zero, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment;

(C) the spread adjustment, which may be a positive or negative value or zero, that has been selected by the SOFR Benchmark Replacement Agent to be applied to the applicable Unadjusted SOFR Benchmark Replacement in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any

economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the then-current SOFR Benchmark with such Unadjusted SOFR Benchmark Replacement for the purposes of determining the SOFR Reference Rate, which spread adjustment shall be consistent with any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, applied to such Unadjusted SOFR Benchmark Replacement where it has replaced the then-current SOFR Benchmark for U.S. dollar denominated floating rate notes at such time;

"SOFR Benchmark Replacement Agent" means any institution or person that has been appointed by the Issuer to make the calculations and determinations to be made by the SOFR Benchmark Replacement Agent described herein so long as such institution or person is a leading bank or other financial institution or a person with appropriate expertise, in each case that is experienced in such calculations and determinations. The Issuer may elect, but is not required, to appoint a SOFR Benchmark Replacement Agent at any time. The Issuer will notify the Noteholders of any such appointment in accordance with Condition 14;

"SOFR Benchmark Replacement Date" means, with respect to the then-current SOFR Benchmark, the earliest to occur of the following events with respect thereto:

(A) in the case of sub-paragraph (A) or (B) of the definition of SOFR Benchmark Transition Event, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark; or

(B) in the case of sub-paragraph (C) of the definition of SOFR Benchmark Transition Event, the date of the public statement or publication of information referenced therein.

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

"SOFR Benchmark Transition Event" means, with respect to the then-current SOFR Benchmark, the occurrence of one or more of the following events with respect thereto:

(A) a public statement or publication of information by or on behalf of the administrator of the SOFR Benchmark announcing that such administrator has ceased or will cease to provide the SOFR Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SOFR Benchmark;

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

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark announcing that the SOFR Benchmark is no longer representative;

"SOFR Index" means, in respect of any U.S. Government Securities Business Day, the compounded daily SOFR rate for such U.S. Government Securities Business Day as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the SOFR Administrator's Website;

"SOFR Index value" means, in respect of any U.S. Government Securities Business Day, the value of the SOFR Index published for such U.S. Government Securities Business Day as such value appears on the by the SOFR Administrator's Website at the Specified Time on such U.S. Government Securities Business Day;

"SOFR Observation Period" means, in respect of any Interest Period, the period from (and including) the date falling "p" U.S. Government Securities Business Days prior to the first day of such Interest Period to (but excluding) the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"SOFR Observation Shift Period" is as specified in the applicable Pricing Supplement; and

"SOFR Reference Rate" means, in respect of any U.S. Government Securities Business Day:

(A) a rate equal to SOFR for such U.S. Government Securities Business Day appearing on the SOFR Administrator's Website on or about the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; or

(B) if SOFR in respect of such U.S. Government Securities Business Day does not appear as specified in paragraph (A) above, unless the SOFR Benchmark Replacement Agent, if any, determine that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR on or prior to the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day, SOFR in respect of the last U.S. Government Securities Business Day for which such rate was published on the SOFR Administrator's Website; or

(C) if the SOFR Benchmark Replacement Agent determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then-current SOFR Benchmark on or prior to the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day (or, if the then-current SOFR Benchmark is not SOFR, on or prior to the Specified Time on the Alternative Relevant Date), then (subject to the subsequent operation of this paragraph (C)) from (and including) the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day (or the Alternative Relevant Date, as applicable) (the Affected Day), the SOFR Reference Rate shall mean, in respect of any U.S. Government Securities Business Day, the applicable SOFR Benchmark Replacement for such U.S. Government Securities Business Day appearing on, or obtained from, the Alternative Relevant Source at the Alternative Specified Time on the Alternative Relevant Date.

"Specified Time" means 3:00 p.m., New York City time or such other time as is specified in the applicable Pricing Supplement;

"Unadjusted SOFR Benchmark Replacement" means the SOFR Benchmark Replacement excluding the SOFR Benchmark Replacement Adjustment; and

"U.S. Government Securities Business Day" means any day (other than Saturday or Sunday) that is not a day on which the Securities Industry and Financial Markets Association or any successor organisation recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding the other provisions of this Condition, if a SOFR Benchmark Replacement Agent has been appointed and such SOFR Benchmark Replacement Agent is unable to determine whether a SOFR Benchmark Transition Event has occurred or, following the occurrence of a SOFR Benchmark Transition Event, has not selected the SOFR Benchmark Replacement as of the related SOFR Benchmark Replacement Date, in accordance with this paragraph then, in such case, the Issuer shall make such determination or select the SOFR Benchmark Replacement, as the case may be.

Any determination, decision or election that may be made by the Issuer or the SOFR Benchmark Replacement Agent, if any, pursuant to this paragraph, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event (including any determination that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then-current SOFR Benchmark), circumstance or date and any decision to take or refrain from taking any action or any selection, will be made in the sole discretion of the Issuer or the SOFR Benchmark Replacement Agent, as the case may be, acting in good faith and in a commercially reasonable manner.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement 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 Condition 5.2(b) 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 Pricing Supplement 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 Condition 5.2(b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, 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.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes; or

(ii) in the case of Floating Rate Notes which are Bearer Notes 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 Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note 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 5.2:

(a) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, 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 (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) 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 Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(c) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

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 Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

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; 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, in which case D2 will be 30;

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

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

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; and

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

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, 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 Issuer and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest

Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) 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 5.2 by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable.

(h) Other Notes etc.

The rate or amount of interest payable in respect of Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement.

5.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

5.4 Benchmark discontinuation

Notwithstanding the provisions in Condition 5.2 above, (in the case of Floating Rate Notes other than where the Reference Rate is specified in the applicable Pricing Supplement as being Compounded Daily SOFR, in which case the provisions of this Condition 5.4 shall not apply) if the Issuer (acting in good faith and in a commercially reasonable manner) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to that Original Reference Rate, then the following provisions of this Condition 5.4 shall apply.

(a) Successor Rate or Alternative Rate

If there is a Successor Rate, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 14, the Noteholders of such Successor Rate and that Successor Rate shall (subject to adjustment as provided in Condition 5.4(b)) subsequently be used by the Principal Paying Agent or the Calculation Agent, as applicable, in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.4).

If there is no Successor Rate but the Issuer (acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser) determines that there is an Alternative Rate, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 14, the Noteholders of such Alternative Rate and that Alternative Rate shall (subject to adjustment as provided in Condition 5.4(b)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant

component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.4).

(b) Adjustment Spread

If, in the case of a Successor Rate, an Adjustment Spread is formally recommended, or provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent or the Calculation Agent, as applicable, shall apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate.

If, in the case of a Successor Rate where no such Adjustment Spread is formally recommended, or provided as an option by any Relevant Nominating Body, or in the case of an Alternative Rate, the Issuer (acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser) determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent (or the Calculation Agent, as applicable, apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

If no such recommendation or option has been made (or made available) by any Relevant Nominating Body, or the Issuer so determines that there is no such Adjustment Spread in customary market usage in the international debt capital markets and the Issuer further determines (acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then the Adjustment Spread shall be:

the Adjustment Spread determined by the Issuer (acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser) as being the Adjustment Spread recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

if there is no such industry standard recognised or acknowledged, such Adjustment Spread as the Issuer (acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser) determines to be appropriate having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

Following any such determination of the Adjustment Spread, the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent and the Calculation Agent, if applicable, shall, apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(c) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.4 and the Issuer (acting in good faith and in a commercially reasonable manner and by reference to

such sources as it deems appropriate, which may include consultation with an Independent Adviser) determines in its discretion (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the Benchmark Amendments) and (B) the terms of the Benchmark Amendments, then the Issuer and the Principal Paying Agent or the Calculation Agent, as applicable, shall agree without any requirement for the consent or approval of Noteholders to the necessary modifications to these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice, subject to the Issuer having to give notice thereof to the Noteholders in accordance with Condition 14 and any Benchmark Amendments not increasing the obligations or duties, or decreasing the rights or protections, of the Principal Paying Agent or the Calculation Agent, as applicable, in these Conditions and/or the Agency Agreement unless agreed between the Issuer and the Principal Paying Agent or the Calculation Agent, as applicable.

Notwithstanding any other provision of this Condition 5, if in the Principal Paying Agent's or Calculation Agent's opinion, as applicable, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5, the Principal Paying Agent or Calculation Agent, as applicable, shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or Calculation Agent, as applicable, in writing as to which alternative course of action to adopt. If the Principal Paying Agent or Calculation Agent, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Principal Paying Agent or Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

Any Benchmark Amendments determined under this Condition 5.4(c) shall be notified promptly (not less than five Business Days prior to the relevant Interest Determination Date) by the Issuer to the Principal Paying Agent, the Calculation Agent, if applicable, and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Amendments.

(d) Independent Adviser

In the event the Issuer is to consult with an Independent Adviser in connection with any determination to be made by the Issuer pursuant to this Condition 5.4(d), the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 5.4(d) shall act in good faith and in a commercially reasonable manner and (in the absence of fraud or wilful default) shall have no liability whatsoever to the Issuer or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 5.4(d) or otherwise in connection with the Notes.

If the Issuer consults with an Independent Adviser as to whether there is an Alternative Rate and/or whether any Adjustment Spread is required to be applied and/or in relation to the quantum of, or any formula or methodology for determining such Adjustment Spread and/or whether any Benchmark Amendments are necessary and/or in relation to the terms of any such Benchmark Amendments, a written determination of an Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of default or bad faith) the Issuer shall have no liability whatsoever to the Noteholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination.

No Independent Adviser appointed in connection with the Notes (acting in such capacity), shall have any relationship of agency or trust with the Noteholders.

(e) Survival of Original Reference Rate provisions

Without prejudice to the obligations of the Issuer under this Condition 5.4, the Original Reference Rate and the fallback provisions provided for in Condition 5.4(e), the applicable Pricing Supplement, as the case may be, will continue to apply unless and until the Issuer has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with the relevant provisions of this Condition 5.4.

(f) Definitions

In this Condition 5.4:

"Adjustment Spread" means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive or negative and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) where the Original Reference Rate is replaced with the Successor Rate or the Alternative Rate (as the case may be);

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer determines in accordance with this Condition 5.4 is to be used in place of the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

"Benchmark Event" means the earlier to occur of:

(i) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;

(ii) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (B) the date falling six months prior to such specified date;

(iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued, is prohibited from being used or is no longer representative, or that its use is subject to restrictions or adverse consequences or, where such discontinuation, prohibition, restrictions or adverse consequences are to apply from a specified date after the making of any public statement to such effect, the later of the date of the making of such public statement and the date falling six months prior to such specified date; and

(iv) it has or will prior to the next Interest Determination Date become unlawful for the Principal Paying Agent or the Calculation Agent, as applicable, any Paying Agent, (if specified in the applicable Pricing Supplement) such other party responsible for the calculation of the Rate of Interest as specified in the applicable Pricing Supplement, or the Issuer to determine any Rate of Interest and/or calculate any Interest Amount using the Original Reference Rate (including, without limitation, under (i) Regulation (EU) No. 2016/1011 and/or or (ii) Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the EUWA, if applicable);

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense;

"Original Reference Rate" means the benchmark or screen rate (as applicable) originally specified in the applicable Pricing Supplement for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of the Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

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

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

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

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with 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 and Auckland, respectively); and

(b) 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.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

6.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the 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 and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount 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 sum due) will be deducted from the sum 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 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, 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 Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note 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 definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 Specific provisions in relation to payments in respect of Instalment Notes

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 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 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. 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.

6.5 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (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 Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "Register") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, 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 Registrar is located) before the relevant due date. For these purposes, "Designated Account" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident 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 and Auckland, 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 Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the 15th day (whether or not such 15th day is a business day) before the relevant due date (the "Record Date"). Payment of the interest due in respect of each Registered Note on

redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of an exchange agent (as appointed in respect of any such Notes and as named in the applicable Pricing Supplement) on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in the Notes has elected to receive any part of such payment in that Specified Currency, in accordance with the rules and procedures for the time being of DTC.

None of the Issuer 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 Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.6 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for its/his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer 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 principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all 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

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) 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):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement;

(b) if T2 is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 is open;

(c) 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 (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open; and

(d) in the case of any payment in respect of a Registered Global Note 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 Note) has not elected to receive any part of such payment in a Specified Currency other than 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.

6.8 Interpretation of principal and interest

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

(a) any additional amounts which may be payable with respect to principal under Condition 8;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) any Change of Control Redemption Amount; and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

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

7.2 Redemption for tax reasons

Subject to Condition 7.6, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 days nor more than 60 days of notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer determines that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or increase the payment of

such additional amounts as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent to make available at its specified office to the Noteholders (i) a certificate signed by two authorised signatories 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 (ii) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Principal Paying Agent 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 Noteholders. The Principal Paying Agent will make such certificate available to the holders or the Notes for inspection.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than 15 days' nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), which notice shall be irrevocable and shall specify the date fixed for redemption, redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, and/or DTC. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

7.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 days' nor more than 30 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar 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 or, as the case may be, the Registrar (a "Put Notice") and in which the

holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any common depositary as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.5 Redemption for Change of Control Put Event

(a) If:

(i) a Change of Control Trigger Event is specified in the applicable Pricing Supplement; and

(ii) a Change of Control Trigger Event occurs; and

(iii) the Issuer has not exercised its right to redeem the Notes as described in this Condition 7.5,

each Noteholder will have the right to require the Issuer to redeem all or a portion of that Noteholder's Notes at an amount (the "Change of Control Redemption Amount") specified in the applicable Pricing Supplement together with accrued and unpaid interest, if any, to the date of redemption, subject to the rights of Noteholders on the relevant Record Date to receive interest due on the relevant Interest Payment Date (the "Change of Control Redemption Right").

(b) Within 30 days following the date upon which the Change of Control Trigger Event occurred, the Issuer will give notice to the Noteholders in accordance with Condition 14 of the occurrence, details and date of that Change of Control Trigger Event and details of the Change of Control Redemption Right. The notice, if given prior to the occurrence of the relevant Change of Control, must state that the Change of Control shall occur no later than 60 days from the date of the notice.

(c) Within no earlier than 30 days nor later than 60 days of the date of the notice from the Issuer of the occurrence of the Change of Control Trigger Event, a Noteholder may by written notice to the Issuer and with a copy to the Registrar (a "Change of Control Redemption Notice"), declare the Change of Control Redemption Amount applicable to each Note held by that Noteholder at that time to be due and payable (together with accrued and unpaid interest, if any, to the date of redemption).

(d) If the Issuer receives a Change of Control Redemption Notice from a Noteholder, the Issuer must redeem the relevant Notes at the Change of Control Redemption Amount (together with accrued and unpaid interest, if any, to the date of redemption). Failure to pay for Notes of Noteholders validly electing to have Notes redeemed pursuant to a Change of Control Redemption Right will constitute a payment default on such Notes.

(e) A "Change of Control Trigger Event" occurs if, on the first date of the period (the "Trigger Period") commencing upon, the earlier of:

(i) the occurrence of a Change of Control; and

(ii) the date of the first public announcement of any Change of Control (or pending Change of Control),

and ending 90 days following the occurrence of that Change of Control (as such Trigger Period may be extended, as provided for below):

(A) the Notes carry an Investment Grade Rating from any Rating Agency and each such rating is, within the Trigger Period, either downgraded to below an Investment Grade Rating or withdrawn and is not, within the Trigger Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency or replaced by an Investment Grade Rating of another Rating Agency; and

(B) in making any decision to withdraw or downgrade such rating pursuant to paragraph (A) above, each relevant Rating Agency has expressly stated that such decision was as a result of the occurrence of that Change of Control (or pending Change of Control).

Where any Rating Agency has publicly announced that it is considering a possible ratings change in respect of the Notes within the period ending 90 days following the occurrence of a Change of Control, the Trigger Period will be extended for a period of not more than 60 days after the date of such public announcement.

Notwithstanding the foregoing, no Change of Control Trigger Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually occurred.

In these Conditions:

"Change of Control" means either:

(a) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Issuer to any "person" (as that term is used in Section 13(d)(3) of the U.S. Securities Exchange Act of 1934) other than to the Commonwealth of Australia; or

(b) the Commonwealth of Australia ceases to "control" (as defined for the purposes of section 50AA of the Corporations Act) the Issuer.

"Fitch" means Fitch Australia Pty Ltd and its successors.

"Investment Grade Rating" means in relation to the Notes:

(a) BBB- or higher by Fitch (or its equivalent under any successor rating category of Fitch);

(b) BBB- or higher by S&P (or its equivalent under any successor rating category of S&P);

(c) Baa3 or higher by Moody's (or its equivalent under any successor rating category of Moody's); or

(d) an equivalent rating to either BBB- or Baa3, or higher, by any other Rating Agency.

"Moody's" means Moody's Investors Service Pty Limited and its successors.

"Rating Agency" means:

(a) Fitch;

(b) S&P;

(c) Moody's; or

(d) another international recognised rating agency that provides a rating for the Notes.

"S&P" means S&P Global Ratings Australia Pty Ltd and its successors.

7.6 Early Redemption Amounts

For the purpose of Condition 7.2 above and Condition 10:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (1 + AY)^{y}$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Pricing Supplement which will be either: (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360); or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.7 Specific redemption provisions applicable to Instalment Notes

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

7.8 Purchases

The Issuer and/or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

7.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.8 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 7.1, 7.2, 7.3, 7.4 or 7.5 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.6(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payments with respect to any Note, Receipt or Coupon:

(a) presented for payment in a Tax Jurisdiction; or

(b) the holder or beneficial owner of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of its/his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon or the receipt of any sums due in respect of such (including, without limitation, the holder being a resident of, or holding the Note, Receipt or Coupon at or through a permanent establishment in, a Tax Jurisdiction); or

(c) presented for payment more than 30 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 30th day assuming that day to have been a Payment Day (as defined in Condition 6.7); or

(d) by reason of any estate, inheritance, gift, sale, transfer, personal property or similar tax, duty, assessment or other governmental charge; or

(e) where such withholding or deduction arises as a result of such holder or beneficial owner of the Note being an associate of the Issuer for the purposes of section 128F of the Income Tax Assessment Act 1936 (Cth) of Australia (the "Tax Act"); or

(f) where such withholding or deduction is imposed as a consequence of a determination having been made under Part IVA of the Tax Act (or any modification or equivalent thereof) by the Commissioner of Taxation of the Commonwealth of Australia 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 scheme which was the subject of that determination; or

(g) by or on behalf of a holder or a beneficial owner, in circumstances where such withholding or deduction would have been lawfully avoided if the holder or beneficial owner or any person acting on their behalf had provided to the Issuer an appropriate tax file number, Australian business number, or details of an exemption from providing those numbers; or

(h) to, or to a third party on behalf of, a holder that could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any such third party complies with any statutory requirements or by making or procuring that any such third party makes a declaration of non-residence or residence or any other similar claim for exemption to any tax authority; or

(i) by or on behalf of a holder or a beneficial owner who would have been able to avoid such withholding or deduction by satisfying any statutory or procedural requirements; or

(j) to, or to a third party on behalf of, a Noteholder, where the tax is calculated having regard to, the overall net income, overall net gains or overall profits of a Noteholder, or imposed on the taxable income of a Noteholder; or

(k) in a case where the Issuer receives a notice or direction under section 260-5 of Schedule 1 to the Taxation Administration Act 1953 (Cth) of Australia, section 255 of the Tax Act or any analogous provisions, any amounts paid or deducted from sums payable to the Noteholder by the Issuer in compliance with such notice or direction.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes, Receipts and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

(i) "Tax Jurisdiction" means the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and interest on the Notes become generally subject; 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 Principal Paying Agent or the Registrar, as the case may be, 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 14.

9. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

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 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT

10.1 Events of Default

If any of the following events (each an "Event of Default") occurs:

(a) ("Non-payment") the Issuer does not pay principal or interest in respect of the Notes on its due date unless payment is made:

(i) in the case of principal, within one Business Day of its due date; or

(ii) in the case of interest, within 14 Business Days of its due date;

(b) ("Non-compliance")

(i) the Issuer fails to perform or fails to comply with any of its material obligations under these Conditions (other than those referred to in Condition 10.1(a)); and

(ii) where such obligation is capable of being remedied, such failure is not remedied within 20 Business Days of a Noteholder notifying the Issuer of the non-compliance;

(c) ("Cross acceleration") any Financial Indebtedness of the Issuer for an amount exceeding the Threshold Amount is not paid when due or within any applicable grace period or is declared due and payable prior to its specified maturity date as a result of an event of default (however so described) and is not paid when due;

(d) ("Insolvency") an Insolvency Event occurs in respect of the Issuer;

(e) ("Vitiation of Notes") a Note is or becomes or is claimed to be wholly or partly invalid, void, voidable or unenforceable in any material respect; or

(f) ("Unlawfulness") it is or becomes unlawful for the Issuer to perform any of its material obligations under the Notes,

then the holders of not less than 25% in aggregate nominal amount of the Notes outstanding may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare the Notes held by them to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

If an Event of Default occurs (or an event occurs which, after the giving of notice and/or lapse of time, would become an Event of Default), the Issuer shall promptly after becoming aware of it, and unless such default has been cured or waived, notify the Principal Paying Agent and the Noteholders in accordance with Condition 14 of the occurrence of the event (specifying details of it).

The Issuer and the Principal Paying Agent shall promptly notify the Noteholders in accordance with Condition 14 once notices under Condition 10.1 from Noteholders of not less than 25% in aggregate nominal amount of the Notes outstanding have been received by the Issuer and the Principal Paying Agent.

10.2 Definitions

In these Conditions:

"Financial Indebtedness" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease);

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(g) consideration for the acquisition of assets or services payable more than 180 days after acquisition;

(h) any net obligation under any derivative contract, agreement or arrangement that is a hedge, swap, option, cap, collar, floor, forward rate agreement, arbitrage transaction, derivative product or other treasury transaction, including in respect of currency or interest rate;

(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above.

"GAAP" means generally accepted accounting principles and practices in Australia.

"Insolvency Event" means any of the following events occurs in relation to the Issuer:

(a) the Issuer is, or states that it is or (unless the Issuer is able to demonstrate that it is not insolvent) is presumed under any law to be an insolvent under administration or insolvent (each as defined in the Corporations Act);

(b) the Issuer has had a controller appointed over the whole or a substantial part of its property, is in liquidation, in provisional liquidation, under administration or wound up, or has had a receiver, or a receiver and manager, appointed to the whole or any substantial part of its property (and "controller", "receiver" and "receiver and manager" each have the meanings given in the Corporations Act);

(c) the Issuer is subject to any arrangement, assignment, moratorium or composition for the benefit of its creditors generally or any class of them or is protected from creditors under any statute, or dissolved, in each case other than to carry out a reconstruction, merger or amalgamation while solvent;

(d) an application or order has been made, (and, in the case of an application, it is not frivolous, vexatious or stayed, withdrawn or dismissed within 20 Business Days), or a resolution passed, in each case in connection with the Issuer, which is preparatory to or could result in any of the things referred to above;

(e) the Issuer stops suspends or threatens to stop or suspend payment of all or a class of its debts;

(f) the Issuer is otherwise unable to pay its debts when they fall due; or

(g) something having a substantially similar effect to any of the things referred to above happens in connection with the Issuer under any law.

"Threshold Amount" means 1% of Total Assets.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) 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 or the Principal Paying Agent or Registrar, as applicable, may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar;

(b) so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if the Notes are issued in definitive form, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in Singapore; and

(c) there will at all times be a Paying Agent in a jurisdiction within Europe.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.6. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The 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.

13. 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 any 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 Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. 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.

All notices regarding the Registered Notes 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.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented

by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions in respect of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10% in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, varying the method of calculating the rate if interest payable in respect of the Notes, or altering the currency of payment of the Notes, the Receipts or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than 75% in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than 25% in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75% of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75% in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than 75% in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law; or

(c) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement that only applies to Notes issued after the date of amendment.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes (or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

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

18.2 Submission to jurisdiction

(a) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons (a "Dispute") and accordingly each of the Issuer and any Noteholders, Receiptholders or Couponholders submits to the exclusive jurisdiction of the English courts in relation to any Dispute.

(b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

18.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

19. CORPORATE REPORTING AND INFORMATION

The Issuer will provide the following reports to the Principal Paying Agents and will post such reports to https://www.nbnco.com.au/corporate-information/about-nbn-co/corporate-plan/financial-reports:

(i) as soon as practicable (and in any event not later than 120 days) after the close of each of its financial years, copies of the audited financial statements of the Issuer, in respect of that financial year, including the audit report of the Issuers' independent auditor; and

(ii) as soon as practicable (and in any event not later than 90 days) after the first half of each of its financial years, copies of the unaudited interim financial statements of the Issuer in respect of that half-year.

TAXATION

The following statements with regard to certain United States and Australian income tax consequences of an investment in the Notes are only general summaries and are based on the tax advice we have received. These statements do not take into account all the specific circumstances that may be relevant to a particular holder of the Notes. We urge you to consult your advisers concerning the consequences, as they relate to you and your specific circumstances, under Australian and United States federal, state and local tax laws, and the laws of any other relevant taxing jurisdiction of investing in the Notes.

Certain United States federal income tax consequences

The following is a summary of certain United States federal income tax considerations relevant to United States Holders and non-United States Holders (as defined below) acquiring, holding and disposing of Notes. This summary addresses only the United States federal income tax considerations for initial purchasers of Notes at their issue price (as defined below) that will hold the Notes as capital assets (generally, property held for investment). This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed U.S. Treasury regulations, administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect, as well as on the income tax treaty between the United States and Australia as currently in force (the "Treaty").

This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Pricing Supplement may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary does not discuss all aspects of United States federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Notes through pass-through entities; (viii) investors that hold Notes as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) investors that have a functional currency other than the U.S. dollar; and (x) U.S. expatriates and former long-term residents of the United States), all of whom may be subject to tax rules that differ from those summarised below. Moreover, this discussion does not consider the effect of any non-United States, state, local or other tax laws, U.S. federal estate, gift or alternative minimum tax, the 3.8% Medicare contribution tax imposed on certain net investment income, special tax accounting rules that apply as a result of any item of gross income with respect to the Notes being taken into account on an applicable financial statement or generally any other United States tax consequences other than United States federal income tax consequences that may be applicable to investors. This discussion applies only to holders of Registered Notes. Bearer Notes are not being offered to United States Holders. A United States Holder who owns a Bearer Note may be subject to limitations under U.S. federal income tax laws, including the limitations provided in Sections 165(j) and 1287 of the Code. Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term may be discussed in the applicable Pricing Supplement.

For the purposes of this summary, a "United States Holder" is a beneficial owner of the Notes that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation created in, or organised under the laws of, the United States or any state thereof, including the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source or (iv) a trust the administration of which is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust. A "non-United States Holder" is a beneficial owner of Notes that is neither a "United States Holder" nor a partnership.

If a partnership (including any entity or arrangement treated as a partnership or other pass-through entity for United States federal income tax purposes) is a holder of the Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partners and partnerships are urged to consult their tax advisers as to the particular United States federal income tax consequences applicable to them.

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences in the applicable Pricing Supplement. To the extent there is any inconsistency in the discussion of

U.S. tax consequences to holders between this offering circular and the applicable Pricing Supplement, holders should rely on the tax consequences described in the applicable Pricing Supplement instead of this offering circular. The Issuer generally intends to treat Notes issued under the Programme as debt, unless otherwise indicated in the applicable Pricing Supplement. Certain Notes, however, such as certain Notes with extremely long maturities, may be treated as equity for U.S. federal income tax purposes. The tax treatment of Notes to which a treatment other than as debt may apply may be discussed in the applicable Pricing Supplement. The following disclosure applies only to Notes that are treated as debt for U.S. federal income tax purposes.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, AND OTHER POSSIBLE CHANGES IN TAX LAW.

United States Holders

Payments of Interest

General

Interest on a Note, including the payment of any additional amounts whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "— Original Issue Discount — General"), will be taxable to a United States Holder as ordinary income at the time it is received or accrued, in accordance with the holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and Original Issue Discount ("OID"), if any, accrued with respect to the Notes (as described below under "Original Issue Discount") and payments of any additional amounts will generally constitute income from sources outside the United States, under the rules regarding the U.S. foreign tax credit allowable to a United States Holder (and the limitations imposed thereon). A United States Holder will not be subject to Australian withholding tax if the United States Holder is eligible for benefits under the Treaty.

Foreign currency denominated interest

If a qualified stated interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis United States Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis United States Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a United States Holder, the part of the period within the taxable year).

Under the second method, the United States Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period or taxable year, an electing accrual basis United States Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the United States Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the United States Holder, and will be irrevocable without the consent of the Internal Revenue Service ("IRS").

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Note) denominated in, or determined by reference to, a foreign currency, the United States Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. dollars at the spot rate on the

date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount ("OID").

A Note, other than a Note with a term of one year or less (a "Short-Term Note"), will be treated as issued with OID (a "Discount Note") if the excess of the Note's "stated redemption price at maturity" over its issue price is at least a de minimis amount (0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25% of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the "issue price" of a Note under the applicable Pricing Supplement will be the first price at which a substantial amount of such Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The "stated redemption price at maturity" of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A "qualified stated interest" payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purpose of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the United States Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If a Note has de minimis OID, a United States Holder must include the de minimis amount in income as stated principal payments are made on the Note, unless the holder makes the election described below under "—Election to Treat All Interest as Original Issue Discount". A United States Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note's de minimis OID by a fraction equal to the amount of the principal payment made divided by the stated principal amount of the Note.

United States Holders of Discount Notes must generally include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and will generally have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a United States Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the United States Holder holds the Discount Note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the United States Holder and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Discount Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Pre- issuance accrued interest

A United States Holder may elect to exclude pre-issuance accrued interest from the issue price of the Note. In that event, a portion of the first interest payment will be treated as a non-taxable return of the pre-

issuance accrued interest. If a United States Holder does not make this election, the U.S. federal income tax treatment of any pre-issuance accrued interest is not entirely clear. United States Holders should consult their tax advisers concerning the U.S. federal income tax treatment of pre-issuance accrued interest.

Further issues

We may, from time to time, without notice to or the consent of the holders of the outstanding Notes, create and issue additional debt securities with identical terms and ranking *pari passu* with the Notes in all respects. We may consolidate such additional debt securities with the outstanding Notes to form a single series. We may offer additional debt securities with OID for U.S. federal income tax purposes as part of a further issue. Purchasers of debt securities after the date of any further issue may not be able to differentiate between debt securities sold as part of the further issue and previously issued Notes. If we were to issue additional debt securities with OID, purchasers of debt securities after such further issue may be required to accrue OID (or greater amounts of OID than they would have otherwise accrued) with respect to their debt securities. This may affect the price of outstanding Notes following a further issuance.

Election to treat all interest as Original Issue Discount

A United States Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount — General" with certain modifications. For purposes of this election, interest includes stated interest, OID, and de minimis OID, as adjusted by any amortisable bond premium (described below under "Notes Purchased at a Premium"). If a United States Holder makes this election for the Note, then, when the constant-yield method is applied, the issue price of the Note will equal its cost, the issue date of the Note will be the date of acquisition, and no payments on the Note will be treated as payments of qualified stated interest. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. However, if the Note has amortisable bond premium, the United States Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortisable bond premium, other than debt instruments the interest on which is excludible from gross income, held as at the beginning of the taxable year to which the election applies or any taxable year thereafter.

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("Variable Interest Rate Notes") will generally bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e. a cap) or a minimum numerical limitation (i.e. a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of

interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e. at a price below the Note's stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as at the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as at the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as at the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a United States Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the United States Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation, as described below under "Contingent Payment Debt Instruments". The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt may be more fully described in the applicable Pricing Supplement.

Contingent payment debt instruments

Certain Notes may be treated as contingent payment debt instruments for U.S. federal income tax purposes ("Contingent Notes"). Under applicable U.S. Treasury Regulations, interest on Contingent Notes is treated as OID and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate instrument with no contingent payments but with terms and conditions otherwise similar to the Contingent Notes (the "comparable yield"), based on a projected payment schedule determined by the Issuer (the "projected payment schedule"). This projected payment schedule must include each non-contingent payment on the Contingent Note and an estimated amount for each contingent payment, and must produce the comparable yield.

The Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on the Contingent Notes. The applicable Pricing Supplement will either contain the comparable yield and projected payment schedule, or will provide an address to which a United States Holder of a Contingent Note can submit a written request for this information.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE ARE NOT DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF THE CONTINGENT NOTES FOR U.S. FEDERAL INCOME TAX PURPOSES. THEY ARE BASED UPON A NUMBER OF ASSUMPTIONS AND ESTIMATES AND DO NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF, OR THE ACTUAL YIELD ON, THE CONTINGENT NOTES.

A United States Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer unless the United States Holder determines its own comparable yield and projected payment schedule and explicitly and timely justifies and discloses such schedule to the IRS. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

The amount of OID includible in income by a United States Holder of a Contingent Note is the sum of the daily portions of OID with respect to the Contingent Note for each day during the taxable year or portion of the taxable year on which the United States Holder holds the Contingent Note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by a United States Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Contingent Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Contingent Note's adjusted issue price at the beginning of the accrual period and the Contingent Note's comparable yield (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the projected amount of any payments previously made on the Contingent Note. No additional income will be recognised upon the receipt of payments of stated interest including the amount of any Australian taxes, as discussed below in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the United States Holder on the Contingent Notes in a taxable year and the projected amount of those payments will be accounted for as additional OID (in the case of a positive adjustment) or as an offset to interest income in respect of the Contingent Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as ordinary loss, but only to the extent the United States Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the United States Holder under this rule in prior taxable years. Any negative adjustment that is

not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the United States Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired reduces the United States Holder's amount realised on the sale, exchange or retirement.

Gain from the sale or other disposition of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the United States Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the United States Holder took into account as ordinary loss, and any further loss will be capital loss.

Foreign Currency Contingent Notes

Special rules apply to determine the accrual of OID and the amount, timing, source and character of any gain or loss on a Note that is a contingent payment debt instrument denominated in a foreign currency (a "Foreign Currency Contingent Note").

Under these rules, a United States Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a comparable fixed-rate debt instrument denominated in the same foreign currency with terms and conditions otherwise similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "Original Issue Discount — Contingent payment debt instruments". The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period (prior to and including the maturity date of the Notes) will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note at the beginning of the accrual period. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under "Payments of Interest — Foreign currency denominated interest". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate as which such OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

Short-Term Notes

In general, an individual or other cash basis United States Holder of a Short-Term Note is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis United States Holders and certain other United States Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the United States Holder so elects, under the constant-yield method (based on daily compounding). In the case of a United States Holder not required and not electing to include OID in income currently, any gain realised on the sale or other disposition of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or other disposition. United States Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A United States Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the United States Holder at the United States Holder's purchase price for the Short-Term Note. This election shall

apply to all obligations with a maturity of one year or less acquired by the United States Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Foreign Currency Notes

OID for any accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency ("Foreign Currency Note") will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis United States Holder, as described above under "Payments of Interest". Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or other disposition of a Note), a United States Holder will generally recognise exchange gain or loss, which will be ordinary gain or loss measured by the difference between the amount received (translated into U.S. dollars at the exchange rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Notes purchased at a premium

A United States Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as " amortisable bond premium", in which case the amount required to be included in the United States Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. In the case of a Note that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a United States Holder will generally recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the United States Holder. Any election to amortise bond premium shall apply to all Notes (other than Notes the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the United States Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the United States Holder, and is irrevocable without the consent of the IRS. See also "— Original Issue Discount — Election to treat all interest as Original Issue Discount". A United States Holder that does not elect to take bond premium into account currently will recognise a capital loss when the Note matures.

Effect of Australian withholding taxes

As discussed in "— Certain Australian withholding tax and income tax consequences", under current law payments of interest and OID on the Notes to foreign investors may become subject to Australian withholding taxes. The Issuer may become liable for the payment of additional amounts to United States Holders (see "Terms and Conditions of the Notes – Taxation") so that United States Holders receive the same amounts they would have received had no Australian withholding taxes been imposed. For U.S. federal income tax purposes, United States Holders would be treated as having received the amount of Australian taxes withheld by the Issuer with respect to a Note, and as then having paid over the withheld taxes to the Australian tax authorities. As a result of this rule, the amount of interest income included in gross income for U.S. federal income tax purposes by a United States Holder with respect to a payment of interest or OID may be greater than the amount of cash actually received (or receivable) by the United States Holder from the Issuer with respect to the payment.

Subject to certain limitations, a United States Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a reduction in computing its U.S. federal taxable income, for Australian income taxes withheld by the Issuer. Since a United States Holder may be required to include OID on the Notes in its gross income in advance of any withholding of Australian income taxes from payments attributable to the OID (which would generally occur when the Note is repaid or redeemed), a United States Holder may not be entitled to a credit or deduction for these Australian income taxes in the year the OID is included in the United States Holder's gross income, and may be limited in its ability to credit or deduct in full the Australian taxes in the year those taxes are withheld by the Issuer.

Sale, exchange or other disposition of the Notes

A United States Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID included in the United States Holder's income with respect to the Note and the amount, if any, of income attributable to de minimis OID included in the United States Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. A United States Holder's tax basis in a Foreign Currency Note will be determined by reference to the U.S. dollar cost of the Notes. The U.S. dollar cost of a Note purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis United States Holder (or an accrual basis United States Holder that so elects), on the settlement date for the purchase.

A United States Holder will generally recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and the tax basis of the Note. The amount realised on a sale or other disposition for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or other disposition or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis United States Holder (or an accrual basis United States Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis United States Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Except to the extent described above under "— Original Issue Discount — Short-Term Notes" or "— Original Issue Discount — Contingent Payment Debt Instruments" or attributable to accrued but unpaid interest or changes in exchange rates, gain or loss recognised on the sale or other disposition of a Note will be capital gain or loss and will generally be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. In the case of a United States Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses by a United States Holder is subject to significant limitations.

Gain or loss recognised by a United States Holder on the sale or other disposition of a Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realised on the transaction.

Disposition of foreign currency

Foreign currency received as interest on a Note or on the sale or other disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or other disposition. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or an exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Non-United States Holders

Subject to the discussion of backup withholding below, a non-United States Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, redemption or other disposition of the Notes unless: (i) that payment and/or gain is effectively connected with the conduct by that non-United States Holder of a trade or business in the U.S.; or (ii) in the case of any gain realised on the sale or exchange of a Note by an individual non-United States Holder, that holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Backup withholding and information reporting

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a United States Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the United States Holder as may be required under applicable regulations. Backup withholding will apply to these payments if the United States Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise to comply with the

applicable backup withholding requirements. Certain United States Holders are not subject to backup withholding.

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a non-United States Holder by a U.S. paying agent or other U.S. intermediary will not be subject to backup withholding tax and information reporting requirements if appropriate certification (IRS Form W-8BEN or other appropriate form) is provided by the non-United States Holder to the payor and the payor does not have actual knowledge that the certificate is false.

Certain Australian withholding tax and income tax consequences

General

The following is a general summary of the material Australian income tax consequences arising under the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth) (together, the "Tax Act"), and any relevant regulations, rulings or judicial or administrative interpretations as at the date of this offering circular in relation to an investment in the Notes by a holder of the Notes who:

- is not a resident of Australia for Australian tax law purposes and does not acquire a Note or an interest in a Note in the course of carrying on business in Australia through or at a permanent establishment or fixed base in Australia (a "Non-Resident Investor");
- is not an "associate" of the Issuer within the meaning of section 128F(9) of the Tax Act;
- holds the Notes on its own behalf (i.e. the holder is not, for example, a dealer in securities or a custodian); and
- purchased the Notes for cash at the original issue price pursuant to this offer.

The following is not intended to be, and should not be taken as, a comprehensive taxation summary for a holder. Each reference in the following taxation summary to a "Note" includes a reference to an "interest in a Note" as the context requires.

This general summary is not intended to be nor should it be construed to be legal or tax advice to any particular holder. Prospective holders are urged to contact their tax advisers for specific advice relating to their particular circumstances. Prospective holders who may be liable to taxation in jurisdictions other than Australia in respect of their acquisition, holding or disposal of Notes are particularly advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions), since the following comments relate only to certain Australian taxation aspects of the Notes. In particular, holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Australia.

Payments of interest under the Notes by the Issuer

Australian interest withholding tax

Payments of interest or amounts in the nature of, or in substitution for, interest (such as discounts or premiums on redemption) on the Notes by an Australian resident Issuer to a Non-Resident Investor will be subject to a 10% interest withholding tax unless either the exemption provided by section 128F of the Tax Act, or other specific exemptions only available to entities of a particular type, or a double tax treaty apply. If section 128F of the Tax Act applies, there will be no Australian interest withholding tax on payments of interest or amounts in the nature of, or in substitution for, interest.

The 128F exemption from Australian interest withholding tax will be available in respect of the Notes if the following conditions are met:

(i) the Issuer continues to be a resident of Australia when it issues the Notes and when interest (as defined in section 128A(1AB) of the Tax Act) is paid in respect of the Notes;

(ii) the Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those Notes for issue. In summary, the five methods are:

(A) offers to 10 or more unrelated financial institutions or securities dealers;

(B) offers to 100 or more investors;

(C) offers of listed Notes;

(D) offers via publicly available electronic or other information sources; and

(E) offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods.

Importantly, the public offer test will not be satisfied in respect of an issue of Notes if, at the time of issue, the Issuer knew, or had reasonable grounds to suspect, that any of the Notes, or an interest in any of the Notes, would be acquired either directly or indirectly by an Offshore Associate (as defined below) of the Issuer, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme.

Accordingly, the Notes should not be acquired by any Offshore Associate of the Issuer, subject to the exceptions referred to above.

Even if the public offer test is initially satisfied in respect of an issue of Notes, if such Notes later come to be held by an Offshore Associate of the Issuer, and at the time of payment of interest on those Notes, the Issuer knows or has reasonable grounds to suspect that such person is an Offshore Associate of the Issuer, the exemption under section 128F will not apply to interest paid by the Issuer to such Offshore Associate in respect of those Notes unless the Offshore Associate receives the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

For the purposes of this section, an "Offshore Associate" is an "associate" of the Issuer (as defined in section 128F(9) of the Tax Act) who is:

(i) a non-resident of Australia that does not acquire a Note or an interest in a Note in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or

(ii) a resident of Australia that acquires a Note or an interest in a Note in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

The definition of "associate" includes, among other things, persons who have a majority voting interest in the Issuer, or who are able to influence or control the Issuer, and persons in whom the Issuer has a majority voting interest, or whom the Issuer is able to influence or control (however this is not a complete statement of the definition).

Unless otherwise specified herein (or in another relevant supplement to this offering circular), the Issuer intends to issue the Notes in a manner which will satisfy the public offer test and which otherwise will meet the requirements of section 128F of the Tax Act.

If it is ultimately determined that a Non-Resident Investor is subject to interest withholding tax or deduction on any payment to be made by an Australian Issuer, the Non-Resident Investor may be entitled to additional amounts in certain circumstances. See Condition 8 for further information.

Double tax treaties

Even if the exemption from the 10% Australian interest withholding tax provided by section 128F of the Tax Act does not apply, a Non-Resident Investor may be eligible for relief from such tax under a double tax treaty between Australia and the Non-Resident Investor's country of residence.

Under Australia's double tax treaties with certain countries (including the United States, the UK, the Republic of France, Germany, Switzerland, Norway, Finland, Japan, New Zealand and the Republic of South Africa), (each a "Specified Country"), Australian interest withholding tax generally does not apply to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and

- certain unrelated banks, and financial institutions which substantially derive their profits by carrying on a business of raising and providing finance, which are resident in the Specified Country, and which are dealing wholly independently with the Issuer. Interest paid under a back-to-back loan or economically equivalent arrangement would continue to be subject to the 10% Australian interest withholding tax rate and the anti-avoidance provisions in the Tax Act may apply.

The Australian government is progressively amending its other double tax treaties to include similar kinds of interest withholding tax exemptions. The availability of relief under Australia's double tax treaties may be limited by Australia's adoption of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting in circumstances where a Non-Resident Investor has an insufficient connection with the relevant jurisdiction. Prospective holders should obtain their own independent tax advice as to whether any of the exemptions under the relevant double tax treaties may apply to their particular circumstances.

Pension fund exemption

An exemption is available in respect of interest paid to a non-resident superannuation fund where that fund is a superannuation fund maintained only for foreign residents and the interest arising from the Notes is exempt from income tax in the country in which such superannuation fund is resident. However, this exemption may not apply if the fund has either (i) an ownership interest (direct and indirect) of 10% or more in the Issuer, or (ii) influence over the Issuer's key decision making.

Profits or gains on disposal or redemption of the Notes

Any profit or gain made on a disposal or a redemption of the Notes by a Non-Resident Investor will not be subject to Australian income tax provided that such profit or gain does not have an Australian source (as described under "— Australian source" below).

To the extent that the amounts received on disposal or redemption of the Notes include amounts of interest or amounts in the nature of interest, Australian interest withholding tax may apply in certain circumstances. However, section 128F may apply to exempt such amounts from Australian interest withholding tax (see "— Australian interest withholding tax" above).

Australian source

Whether a profit or gain on disposal of the Notes has an Australian source is a question of fact that will be determined on the basis of the circumstances existing at the time of the disposal. Whether or not any such profit or gain will have an Australian source will depend on a variety of factors, including whether the Notes are disposed to another non-resident, where negotiations are conducted and where the relevant documentation is executed. A gain arising on the sale of the Note by a Non-Resident Investor to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia, should generally not be regarded as having an Australian source.

Double tax treaties

If the profit or gain on disposal or redemption of a Note is deemed to have an Australian source, a Non-Resident Investor may be eligible for relief from Australian tax on such profit or gain, under a double tax treaty between Australia and the Non-Resident Investor's country of residence. Prospective holders should consult their tax advisers regarding their entitlement to benefits under a double tax treaty.

Garnishee directions

The Australian Commissioner of Taxation may give a direction under section 255 of the Tax Act or a notice under section 260-5 of Schedule 1 to the Taxation Administration Act 1953 or any similar provision requiring the Issuer to deduct or withhold from any payment to any other party (including any Noteholder) any amount in respect of tax payable by that other party. If the Issuer is served with such a direction, the Issuer intends to comply with that direction and make any deduction or withholding required by that direction. In such a circumstance, the relevant Noteholder will not be entitled to additional amounts in respect of that deduction or withholding.

Stamp duty

No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of the Notes.

Goods and Services Tax ("GST")

Neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise an input taxed supply or, for non-residents of Australia who are not in Australia at the time of the supply, a GST-free supply. Furthermore, neither the payment of principal or interest on the Notes would give rise to a GST liability.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the "Programme Agreement") dated 30 September 2022, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

There will be no established trading market for any Notes prior to their original issue date. In connection with the offering and placement of any Notes, the Dealers and any other initial purchasers to whom the Issuer sells Notes may make a market in those Notes. However, none of the Dealers or any other party that makes a market in any Notes is obligated to do so, nor are they obligated to purchase any Notes in connection with any market-making and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for any of the Notes.

Rule 15c2-11 under the Exchange Act may in future limit the ability of U.S. brokers and dealers to provide quotations on our debt securities unless certain information about us and our business is publicly available. If brokers and dealers are unable or decline to provide quotations on the Notes, liquidity in the secondary trading market for the Notes may be materially adversely affected.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

Under Rule 15c6-1 of the Exchange Act, trades in the U.S. secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. The applicable Pricing Supplement for a trade pursuant to this offering circular may provide that the original issue date for your securities may be more or less than two business days after the trade date for your Notes.

In connection with the offering of Notes, the Dealers may purchase and sell the Notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilising transactions undertaken outside Australia. Over-allotment involves sales of Notes in excess of the principal amount of Notes to be purchased by the Dealers in the offerings, which creates a short position for the Dealers. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Stabilising transactions consist of certain bids or purchases of Notes made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress. Any of these activities may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Dealers may conduct these transactions in the over-the-counter market or otherwise. If the Dealers commence any of these transactions, they may discontinue them at any time. Any such stabilisation activities must be conducted in accordance with applicable law.

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

The Dealers and certain of their affiliates may have performed certain investment banking and advisory services for us and our affiliates from time to time for which they may have received customary fees and expenses, and the Dealers and their respective affiliates may, from time to time, engage in transactions with and perform services for us and our affiliates in the ordinary course of their business. The Dealers or certain of their

affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution.

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

In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. In addition, certain of the Dealers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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Transfer restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes or a beneficial interest therein within the United States or that is a U.S. person (as defined in Regulation S), by its acceptance or purchase thereof, will be deemed to have acknowledged, represented to and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

(a) that it is a qualified institutional buyer within the meaning of Rule 144A ("QIB"), purchasing (or holding) the Notes for its own account or for the account of one or more QIBs for whom it is authorised to act and it is aware that any sale to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A;

(b) that it understands that the Notes are being offered and sold in a transaction not involving a public offering in the United States (within the meaning of the Securities Act), and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be reoffered, resold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, if in the future it decides to offer, resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, 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 Notes, only (i) to the Issuer or any subsidiary thereof, (ii) to a QIB or an offeree or purchaser whom the seller reasonably believes to be a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act covering the Notes, in each case in accordance with any applicable securities laws of the states of the United States and any other jurisdiction;

(d) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above;

(e) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes;

(f) that the Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED 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 ON ITS OWN BEHALF AND ON BEHALF OF ANY ACCOUNT FOR WHICH IT IS PURCHASING SUCH NOTES (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT, 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 NOTES, OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE NOTES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND OTHER THAN (1) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER 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 AN 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 COVERING THE NOTES, IN EACH CASE IN ACCORDANCE WITH ANY 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 NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.

THIS NOTE 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 REGISTERED HOLDERS OF SUCH NOTES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE 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 NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(g) that the Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law or as otherwise provided in the applicable Pricing Supplement:

"EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT, AT THE TIME OF ITS ACQUISITION AND THROUGHOUT THE PERIOD IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN), EITHER (X) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, (1) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") THAT IS SUBJECT TO SECTION 4975 OF THE CODE, AND ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE TO INCLUDE "PLAN ASSETS" BY REASON OF INVESTMENT BY ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN, ACCOUNT OR ARRANGEMENT IN THE ENTITY (EACH OF THE FOREGOING, AN "ERISA PLAN"), OR (2) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), OR (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY SIMILAR LAW). ANY PURPORTED TRANSFER OF THIS NOTE (OR ANY INTEREST HEREIN) TO A PURCHASER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE ABOVE REQUIREMENTS WILL BE OF NO FORCE AND EFFECT AND SHALL BE NULL AND VOID *AB INITIO*.

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) THAT IS, OR IS ACTING ON BEHALF OF, AN ERISA PLAN WILL BE FURTHER DEEMED TO HAVE REPRESENTED AND WARRANTED THAT (I) NONE OF THE ISSUER, THE DEALERS, THE AGENTS, OR ANY OTHER PARTY TO THE TRANSACTIONS REFERRED TO IN THE OFFERING CIRCULAR, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH THE ERISA PLAN, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE ERISA PLAN ("PLAN FIDUCIARY"), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE ERISA PLAN OR THE PLAN FIDUCIARY IN CONNECTION WITH THE ERISA PLAN'S ACQUISITION OF THIS NOTE; AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE TRANSACTION.";

(h) that, unless the Issuer determines otherwise in compliance with applicable law or as otherwise provided in the applicable Pricing Supplement, either (a) it is not, and is not acting on behalf of, an ERISA Plan or a governmental, church, non-U.S. or other plan that is subject to any Similar Law, or (b) its acquisition, holding and disposition of a Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Similar Law). Any purported transfer of a Note (or any interest therein) to a purchaser or transferee that does not comply with the above requirements will be of no force and effect and shall be null and void *ab initio*;

(i) that, if it is, or is acting on behalf of, an ERISA Plan, (i) none of the Issuer, the Dealers, the Agents, or any other party to the transactions referred to in this offering circular, or any of their respective affiliates, has provided any investment recommendation or investment advice on which the ERISA

Plan, or any fiduciary or other person investing the assets of the ERISA Plan ("Plan Fiduciary"), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the ERISA Plan or the Plan Fiduciary in connection with the ERISA Plan's acquisition of the Notes; and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction;

(j) that, before any interest in Registered Notes represented by a Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who will take delivery in the form of an interest in such Registered Notes represented by a Regulation S Global Note, it will be required to provide the Registrar with a Transfer Certificate as to compliance with applicable securities laws; and

(k) that the Issuer, the Registrar, the relevant Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements deemed to have been made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more investor accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each purchaser of Notes or a beneficial interest therein outside of the United States and each subsequent purchaser of such Notes or a beneficial interest therein in resales prior to the expiration of the Distribution Compliance Period will, by its acceptance at purchase thereof, be deemed to have acknowledged, represented to and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

(a) that it is located outside the United States and is not a U.S. person and is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;

(b) that it understands that the Notes are being offered and sold in a transaction not involving a public offering in the United States (within the meaning of the Securities Act), and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and 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 below;

(c) that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(d) that if it should offer, resell, pledge or otherwise transfer the Notes or any beneficial interest in the Notes prior to the expiration of the Distribution Compliance Period, it will do so only (A) (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB or an offeree or purchaser whom the seller reasonably believes to be a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A and (B) in accordance with any applicable state securities law of the states of the United States and any other jurisdiction;

(e) that the Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH 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 COVERING THE NOTES. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.";

(f) that the Notes will bear a legend to the following effect unless the Issuer determines otherwise in compliance with applicable law or as otherwise provided in the applicable Pricing Supplement:

"EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT, AT THE TIME OF ITS ACQUISITION AND THROUGHOUT THE PERIOD IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN), EITHER (X) IT IS NOT, AND IS NOT ACTING ON BEHALF OF, (1) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF TITLE I OF ERISA, A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") THAT IS SUBJECT TO SECTION 4975 OF THE CODE, AND ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE TO INCLUDE "PLAN ASSETS" BY REASON OF INVESTMENT BY ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN, ACCOUNT OR ARRANGEMENT IN THE ENTITY (EACH OF THE FOREGOING, AN "ERISA PLAN"), OR (2) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW") OR (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A VIOLATION OF ANY SIMILAR LAW). ANY PURPORTED TRANSFER OF THIS NOTE (OR ANY INTEREST HEREIN) TO A PURCHASER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE ABOVE REQUIREMENTS WILL BE OF NO FORCE AND EFFECT AND SHALL BE NULL AND VOID *AB INITIO*.

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS NOTE (OR ANY INTEREST HEREIN) THAT IS, OR IS ACTING ON BEHALF OF, AN ERISA PLAN WILL BE FURTHER DEEMED TO HAVE REPRESENTED AND WARRANTED THAT (I) NONE OF THE ISSUER, THE DEALERS, THE AGENTS, OR ANY OTHER PARTY TO THE TRANSACTIONS REFERRED TO IN THE OFFERING CIRCULAR, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH THE ERISA PLAN, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE ERISA PLAN ("PLAN FIDUCIARY"), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE ERISA PLAN OR THE PLAN FIDUCIARY IN CONNECTION WITH THE ERISA PLAN'S ACQUISITION OF THIS NOTE; AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE TRANSACTION.";

(g) that, unless the Issuer determines otherwise in compliance with applicable law or as otherwise provided in the applicable Pricing Supplement, either (a) it is not, and is not acting on behalf of, an ERISA Plan or a governmental, church, non-U.S. or other plan that is subject to any Similar Law, or (b) its acquisition, holding and disposition of a Note (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Similar Law). Any purported transfer of a Note (or any interest therein) to a purchaser or transferee that does not comply with the above requirements will be of no force and effect and shall be null and void *ab initio*;

(h) that, if it is, or is acting on behalf of, an ERISA Plan, (i) none of the Issuer, the Dealers, the Agents, or any other party to the transactions referred to in this offering circular, or any of their respective affiliates, has provided any investment recommendation or investment advice on which the ERISA Plan, or any fiduciary or other person investing the assets of the ERISA Plan ("Plan Fiduciary"), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the ERISA Plan or the Plan Fiduciary in connection with the ERISA Plan's acquisition of the Notes; and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction;

(i) that, prior to the expiration of the Distribution Compliance Period, before any interest in Registered Notes represented by a Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who will take delivery in the form of an interest in such Registered Notes represented by a Rule 144A Global Note, it will be required to provide the Registrar with a Transfer Certificate as to compliance with applicable securities laws; and

(j) that the Issuer, the Registrar, the relevant Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more investor accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Selling restrictions

Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with ASIC. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree with the Issuer that it:

(a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any offering circular, information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless (1) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies, 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 Australian Corporations Act, (2) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act, (3) such action complies with all applicable laws, regulations and directives and (4) such action does not require any document to be lodged with ASIC.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, except pursuant to an effective registration statement or in a transaction not subject to the registration requirements of the Securities Act or in accordance with an applicable exemption from the registration requirements thereof. Accordingly, the Notes are being offered and sold hereunder only:

- in the United States to a QIB acquiring for its own account or solely for the account of one or more other QIB in compliance with Rule 144A; and

- outside the United States to persons that are not U.S. persons in reliance on Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

In respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement each Dealer will be required to represent, undertake and agree (and each additional Dealer appointed under the Programme will be required to represent, undertake and agree) that:

(a) except to the extent permitted under U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "D Rules"), (i) it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and it will not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;

(b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation §1.163-5(c)(2)(i)(D)(6) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);

(d) with respect to each affiliate that acquires Bearer Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b)and (c) on such affiliate's behalf; and

(e) it will obtain from any distributor (within the meaning of U.S. Treasury Regulation §1.163-5(c)(2)(i)(D)(4)(ii)) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subparagraphs (a), (b), (c) and (d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes.

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder, including the C Rules.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any Dealer (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 an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$200,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable U.S. state securities laws pursuant to registration under such laws or an exemption therefrom. Prospective purchasers should be aware that purchasers may be required to bear the financial risks of an investment in the Notes for an indefinite period of time. Because of the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of Notes.

Prohibition of sales to EEA retail investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this offering circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA.

For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; and/or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of sales to UK retail investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this offering circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK.

For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the UK by virtue of the EUWA; and/or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the UK by virtue of the EUWA.

Other regulatory restrictions

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

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Hong Kong

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

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "Securities and Futures Ordinance") other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued, or had in its possession for the purposes of issue and will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to any Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will

not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than: (1) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (2) 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 and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes 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 Notes pursuant to an offer made under Section 275 of the SFA except:

(i) 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)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA – In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise stated in the applicable Pricing Supplement in respect of any Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Canada

In Canada, the Notes may be sold only to purchasers located or resident in the provinces of Alberta, British Columbia, Ontario or Québec purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions (NI 45-106) or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Upon request, the purchaser agrees to provide the Issuer and the Dealers with all information about the purchaser necessary to permit the Issuer to properly complete and file Form 45- 106F1 under NI 45-106 with the securities regulatory authorities in Canada. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a

misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Taiwan

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations and the Notes may not be sold, issued or offered within Taiwan through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require the registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in Taiwan.

Korea

Each Dealer acknowledges that the Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act ("FSCMA"). Each Dealer has represented and agreed, and each new Dealer further appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, directly or indirectly, in Korea or to any Korean resident (as such term is defined in the Foreign Exchange Transaction Law) for a period of one (1) year from the date of issuance of the Notes, except (i) to or for the account or benefit of a Korean resident which falls within certain categories of "professional investors" as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, in the case that the Notes are issued as bonds other than convertible bonds, bonds with warrants or exchangeable bonds, and where other relevant requirements are further satisfied, or (ii) as otherwise permitted under applicable Korean laws and regulations.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this offering circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Important Notice to CMIs (including private banks)

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

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

steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

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

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

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

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

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

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

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

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

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the applicable Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any Overall Coordinators; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any Overall Coordinators. By submitting an order and providing such information to any Overall Coordinators, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any Overall Coordinators and/or any other third parties as may be required by the SFC Code, including to the Issuers, the Guarantors, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering.

The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealers with such evidence within the timeline requested.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Dealers 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 Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.

Book-entry systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants"). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this offering circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "DTC Rules"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("DTC Notes") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("Owners") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("Beneficial Owner") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose

accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "Subscription and Sale and Transfer and Selling Restrictions".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depositary is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg

have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

Book-entry ownership of and payments in respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to an exchange agent (as appointed in respect of any such Notes and as named in the applicable Pricing Supplement) on behalf of DTC or its nominee and such exchange agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "Subscription and Sale and Transfer and Selling Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (Custodian) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date two business days after the trade date (T+2). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their direct or indirect participants or accountholders of their obligations under the rules and procedures governing their operations nor will the Issuer, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

CERTAIN ERISA AND RELATED CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code impose certain fiduciary standards and other requirements on pension, profit-sharing and other employee benefit plans subject to Title I of ERISA, plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, and entities whose underlying assets are considered to include "plan assets" (within the meaning of 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA) of such employee benefit plans, plans, accounts and arrangements (collectively, "ERISA Plans").

A fiduciary of an ERISA Plan that is subject to ERISA should consider the fiduciary standards of ERISA in the context of the ERISA Plan's particular circumstances before authorising an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan, and whether the investment would involve a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in certain transactions involving plan assets with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("parties in interest") with respect to the ERISA Plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption.

Certain employee benefit plans and arrangements including those that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) ("non-ERISA arrangements") are not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code but may be subject to provisions under applicable federal, state, local or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("Similar Law").

The acquisition of the Notes (or any interest therein) by an ERISA Plan with respect to which we or certain of our affiliates are or become a party in interest may constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, unless those Notes (or interests therein) are acquired pursuant to and in accordance with an applicable exemption. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for transactions between an ERISA Plan and a person or entity that is a party in interest to such ERISA Plan solely by reason of providing services to the ERISA Plan (other than a party in interest that is a fiduciary, or any of its affiliates, that has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of the ERISA Plan involved in the transaction), provided that the ERISA Plan pays no more and receives no less than "adequate consideration" in connection with the transaction (the "service provider exemption"). The U.S. Department of Labor has also issued five prohibited transaction class exemptions, or "PTCEs", that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

There can be no assurance that any of these exemptions or any other exemption will be satisfied with respect to any particular transaction involving the Notes. Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might not cover all acts which might be construed as prohibited transactions.

In light of the foregoing, any purchaser or holder of Notes or any interest therein will be deemed to have represented and warranted by its purchase and holding of the Notes (or any interest therein) that either (1) it is not, and is not acting on behalf of, any ERISA Plan or non-ERISA arrangement, or (2) its acquisition, holding and disposition of the Notes (or any interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a non-ERISA arrangement, a violation of any Similar Law).

Additionally, if any purchaser or holder of Notes (or any interest therein) is, or is acting on behalf of, an ERISA Plan, it will be deemed to have represented and warranted that (i) none of the Issuer, the Dealers, the Agents, or any other party to the transactions referred to in this offering circular, or any of their respective affiliates, has provided any investment recommendation or investment advice on which the ERISA Plan, or any fiduciary or other person investing the assets of the ERISA Plan ("Plan Fiduciary"), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the ERISA Plan or the Plan Fiduciary in connection with the ERISA Plan's acquisition of the Notes; and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

The foregoing discussion is general in nature and is not intended to be comprehensive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing Notes on behalf of an ERISA Plan or with "plan assets" of any ERISA Plan or non-ERISA arrangement consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Law to such transaction and the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under Similar Law, as applicable.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Allen & Overy as to matters of New York, U.S. federal securities, English and Australian law. Certain legal matters with respect to the Notes will be passed upon for the Dealers by Sidley Austin as to matters of New York, U.S. federal securities and Sidley Austin LLP as to matters of English law.

INDEPENDENT ACCOUNTANTS

The financial statements of NBN Co Limited as at 30 June 2023 and 2022 and for the years ended 30 June 2023 and 2022 incorporated by reference in this offering circular have been audited by PricewaterhouseCoopers ("PwC"), independent accountants, as stated in their reports that are incorporated by reference herein.

The liability of PwC, in relation to the performance of their professional services provided to NBN Co Limited, including without limitation, PwC's audits and reviews of our financial statements described above, is limited under the Chartered Accountants Australia and New Zealand Scheme (the "Accountants Scheme") approved by the New South Wales Professional Standards Council or such other applicable scheme approved pursuant to the Professional Standards Act 1994 (NSW) (the "Professional Standards Act"). Specifically, the Accountants Scheme limits the liability of an accountant to a maximum amount of A$75 million for audit work and A$20 million for other work. The Accountants Scheme does not limit liability for breach of trust, fraud or dishonesty. Legislation providing for apportionment of liability also applies. These limitations of liability may limit enforcement in Australian courts of any judgment under United States or other foreign laws rendered against PwC based on, or related to, its audit of the Audited Financial Statements. The Accountants Scheme commenced on 8 October 2019 and will remain in force for a period of five years (unless it is revoked, extended or ceases in accordance with the Professional Standards Act). The Professional Standards Act and the Accountants Scheme have not been subject to relevant judicial consideration and, therefore, how the limitations will be applied by courts and the effect of the limitations on the enforcement of foreign judgments is untested.

GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and the issue of Notes.

2. We have applied to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for the listing and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the official list ("Official List") of the SGX-ST. There is no guarantee that an application to the SGX-ST will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, its associated companies, the Programme or the merits of investing in such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies). In addition, for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes are exchanged for definitive Notes. In the event that any Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

3. There has been no significant change in the financial or trading position of the Issuer and there has been no material adverse change in the financial or trading position or prospects of the Issuer since 30 June 2023.

4. The Issuer is not, and has not been, involved in any litigation or arbitration proceedings that may have, or have had during the 12 months preceding the date of this offering circular, a material adverse effect on the financial position of the Issuer and as at the date of this offering circular, the Issuer is not aware of any such litigation or arbitration either pending or threatened.

5. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend:

   "ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED."

6. The Notes (other than those in definitive form) have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are entities in charge of keeping the records). The appropriate Common Code and the International Securities Identification Number ("ISIN") for each Series of Notes will be set out in the applicable Pricing Supplement. In addition, the Issuer will make an application with respect to each Series of Registered Notes intended to be eligible for sale pursuant to Rule 144A for such Notes to be accepted for trading in book-entry form by DTC. Acceptance of each Series and the relevant Committee on the Uniform Security Identification Procedure ("CUSIP") number applicable to a Series will be set out in the applicable Pricing Supplement.

7. The Legal Entity Identifier (LEI) of the Issuer is 2549007CRZ2NT7S96A24.

8. The Issuer is involved in litigation and administrative proceedings arising in the ordinary course of our business. The Issuer does not believe that such matters, if determined against the Issuer, will have a material adverse effect on the Issuer's business, financial position or results of operations.

9. From the date of this offering circular and for so long as any Notes are outstanding under the Programme, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and at the office of the Principal Paying Agents:

   (i) the constitutional documents of the Issuer;

(ii) the Agency Agreement;

(iii) the Deed of Covenant;

(iv) the audited financial statements of the Issuer as at and for the years ended 30 June 2023, 2022 and 2021;

(v) any financial statements of the Issuer which are published after the date of this offering circular;

(vi) each Pricing Supplement (save that each Pricing Supplement will only be available for inspection by a holder of such Note and such holder must provide evidence satisfactory to the relevant Principal Paying Agent as to its holding and its identity); and

(vii) a copy of this offering circular or any further offering circular and any supplementary offering circular.

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NBN CO LIMITED

(ACN 136 533 741)

(*a company incorporated under the laws of the Commonwealth of Australia*)

U.S.$50,000,000,000

Global Medium Term Note Programme

OFFERING CIRCULAR

Arranger

Citigroup

Dealers

BofA Securities
Citigroup
Goldman Sachs & Co. LLC
J.P. Morgan

BNP PARIBAS
Deutsche Bank
HSBC
Morgan Stanley

15 September 2023