

# Information Memorandum



## **MUNICIPALITY FINANCE PLC (KUNTARAOITUS OYJ)**

A\$2,000,000,000  
Medium Term Note Programme  
guaranteed by  
The Municipal Guarantee Board (Kuntien takauskeskus)  
For the issue of debt securities

**Arranger and Dealer**

**RBC Capital Markets**

**Dealers**

**Citigroup**

**Deutsche Bank AG, Sydney Branch**

**TD Securities**

**22 July 2015**

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# Important Notice

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## Introduction

This Information Memorandum relates to a medium term note programme ("**Programme**") established by Municipality Finance Plc (Kuntarahoitus Oyj) ("**Issuer**") for the issue of registered, dematerialised medium term notes ("**Notes**") of the Issuer. Subject to applicable laws, regulations and directives, the Issuer may issue Notes in Australia ("**Australian Domestic Notes**") and Notes in any country outside Australia, including New Zealand ("**New Zealand Domestic Notes**"). This Information Memorandum summarises information regarding the issue of Notes in the wholesale debt capital markets of Australia and New Zealand. The Notes may be issued up to a maximum aggregate amount of A\$2,000,000,000 (or as that amount may be increased from time to time) ("**Programme Limit**").

This Information Memorandum replaces the Information Memorandum dated 26 March 2015.

Each tranche of Notes will have the benefit of a guarantee from The Municipal Guarantee Board (Kuntien takauskeskus) ("**Guarantor**") pursuant to a guarantee and indemnity deed poll dated 11 March 2008 ("**Guarantee**"). The form of this guarantee and indemnity is set out in this Information Memorandum (see under the heading "Form of Guarantee" below).

Each issue of Notes will be made pursuant to such documentation as the Issuer may determine. The Issuer may publish additional disclosure or offering documentation which describe the issue of Notes (or particular classes of Notes or other debt instruments) not described in this Information Memorandum.

Notes will be issued in one or more Tranches (each a "**Tranche**") within one or more series (each a "**Series**"). Tranches of Notes within a particular Series may have various issue dates, issue prices and interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts but will otherwise be issued on identical terms and conditions.

A pricing or other supplement ("**Pricing Supplement**") will be issued for each Tranche of Notes issued under a particular Series and will contain details of the aggregate principal amount of the Tranche of Notes and the interest (if any) payable in respect thereof, the issue price, the issue date and the maturity date of the Tranche of Notes, together with any other terms and conditions and other information with respect to that Tranche which is not otherwise contained in this Information Memorandum or such other Information Memorandum issued in relation to such Notes.

The terms and conditions applicable to a Tranche or Series of Notes ("**Conditions**") will be as set out in the section of this Information Memorandum entitled "Conditions of the Notes" as such may be supplemented, amended, modified or replaced by the applicable Pricing Supplement for those Notes. The terms and conditions applicable to other debt instruments will be as set out in any applicable additional disclosure or offering documentation or Pricing Supplement.

Except as may otherwise be specified in the applicable Pricing Supplement, each Series of Notes issued on or after the date of this Information Memorandum will be issued in registered form pursuant to a deed poll executed by the Issuer including, as applicable, the Second Note Deed Poll dated 11 March 2008 ("**Note Deed Poll**").

The Notes may be lodged in the Austraclear System or the NZClear System (each as defined in the Conditions). Notes may also be transacted through Euroclear Bank S.A/N.V. ("**Euroclear**"), Clearstream, Luxembourg société anonyme ("**Clearstream**"), and/or any other clearing system specified in the relevant Supplement (each a "**Clearing System**").

The Issuer is neither a bank nor an authorised deposit-taking institution which is authorised under the Banking Act 1959 of Australia or a registered bank under the Reserve Bank of New Zealand Act 1989. The Notes are not the obligations of any government, governmental agency or instrumentality and, in particular, are not guaranteed by the Commonwealth of Australia or the Government of New Zealand.

## **Issuer and Guarantor's responsibility**

This Information Memorandum has been prepared by and issued with the authority of the Issuer and the Guarantor. The Issuer and the Guarantor accept responsibility for the information contained in this Information Memorandum other than information provided by the Arranger, the Dealers, the Registrars and the Issuing and Paying Agent (each as defined in the section entitled "Summary of the Programme" below) in relation to their respective descriptions in the section entitled "Directory" below. To the best of the knowledge of each of the Issuer and the Guarantor (each of which has taken reasonable care to ensure that such is the case), at the Preparation Date (as defined below) the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **EU Bank Resolution and Recovery Directive**

The final text of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (known as the Bank Recovery and Resolution Directive or "**BRRD**") entered into force on 2 July 2014. The majority of measures set out in the BRRD are required to be implemented with effect from 1 January 2015, with the bail-in power for other eligible liabilities to apply from 1 January 2016 at the latest. In accordance with the Finnish implementation of the BRRD, the bail-in powers of the national authorities were implemented with effect from 1 January 2015 by a new legislation package that was passed on 19 December 2014. See the section entitled "EU Bank Resolution and Recovery Directive" below for further information.

## **Documents incorporated by reference**

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated by reference. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to "Information Memorandum" are to this Information Memorandum and to any other document incorporated by reference collectively and to any of them individually.

The following documents are incorporated in and taken to form part of this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared by the Issuer and the Guarantor from time to time;
- the most recently published audited annual accounts of the Issuer filed with the Trade Register of Finland and the Financial Supervisory Authority of Finland from time to time; and
- all documents issued by the Issuer or the Guarantor and stated to be incorporated in this Information Memorandum by reference including, in the case of any Series of Notes, a Pricing Supplement and all documents stated therein.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement (including whether expressly or by implication).

Except as provided above, no other information, including any information on the internet sites of the Issuer or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of documents incorporated by reference are available free of charge from the Issuer, at its office specified in the section entitled "Directory" or from such other person specified in a Pricing Supplement.

Investors should review, amongst other things, the documents which are deemed to be incorporated by reference in this Information Memorandum when deciding whether or not to subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

#### **References to internet site addresses**

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

#### **No independent verification**

The only role of the Arranger, the Dealers, the Registrars and the Issuing and Paying Agent in the preparation of this Information Memorandum has been to confirm to the Issuer and the Guarantor that their respective details in the sections entitled "Summary of the Programme" and "Directory" below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Arranger, the Dealers, the Registrars or the Issuing and Paying Agent has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by them as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer and the Guarantor in connection with the Programme or any Notes.

The Arranger, the Dealers, the Registrars and the Issuing and Paying Agent expressly do not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer and make no representations as to the ability of the Issuer to comply with its obligations under the Notes.

The Arranger, the Dealers, the Registrars and the Issuing and Paying Agent each act in accordance with their agreement with the Issuer and the Guarantor and not in any capacity as a fiduciary or otherwise on behalf of holders of Notes or prospective investors.

#### **Intending purchasers to make independent investment decision and obtain tax advice**

This Information Memorandum contains only summary information concerning the Issuer, the Guarantor and the Programme. It is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 of Australia ("**Corporations Act**") or the Financial Markets Conduct Act 2013 (New Zealand) ("**NZ FMCA**"), is not intended to provide the basis of any credit or other evaluation in respect of the Issuer, and Guarantor, or the Notes and should not be considered as a recommendation or a statement of opinion (or a report of either of these things) by the Issuer, the Guarantor, the Arranger, the Dealers, the Registrars or the Issuing and Paying Agent that any recipient of this Information Memorandum, any other financial statements or any other information supplied in connection with the Programme or the issue of any Notes should purchase any Notes or any rights in respect of any Notes. Each investor contemplating purchasing any Notes or any rights in respect of any Notes under the Programme should make (and shall be taken to have made) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and the Guarantor.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer;
- determine for themselves the relevance of the information contained in this Information Memorandum and any other information supplied in connection with the Programme or the issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and

- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors in connection with investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

### **Risks**

Neither this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes describes the risks of an investment in any Notes. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

### **Agency and dealer fees**

The Issuer has agreed to pay the Registrars and the Issuing and Paying Agent fees for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme. The Issuer may also pay a Dealer a fee in respect of the Notes subscribed by it and has agreed to reimburse the Arranger and Dealers for certain expenses incurred in connection with the Programme and indemnify the Arranger and Dealers against certain liabilities in connection with the offer and sale of the Notes. Each of the Arranger and each Dealer, its subsidiaries, directors and employees may have pecuniary or other interests in the Notes and may also have interests under other arrangements and may receive fees, brokerage and commissions and may act as principal in dealing in any Notes.

### **Currency of information**

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the Preparation Date.

In this Information Memorandum, "**Preparation Date**" means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to financial accounts incorporated in this Information Memorandum, the date up to, or as at, the date on which the accounts relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release.

### **No authorisation**

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Guarantor, the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Guarantor, the Arranger, the Dealers, the Registrars or the Issuing and Paying Agent.

### **Distribution arrangements**

The distribution of this Information Memorandum, including any Pricing Supplement, advertisement or other offering material, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any

such restrictions. In particular, no action has been taken by any of the Issuer, the Arranger, the Dealers or any Agents which would permit a public offering of any Notes or distribution of this Information Memorandum or any such document in any jurisdiction where action for that purpose is required.

None of the Issuer, the Guarantor, the Arranger, the Dealers, the Registrars or the Issuing and Paying Agent represents that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or under an exemption available in that jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arranger, the Dealers, the Registrars or the Issuing and Paying Agent which would permit a public or other offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

### **No registration in the United States**

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) ("**Securities Act**"), or the securities laws of any state in the United States. The Notes may not be offered or sold at any time within the United States, its territories or its possessions or to, or for the account of, U.S. persons (as defined in Regulation S under the Securities Act), unless such Notes are registered under the Securities Act or an exemption from the registration requirements thereof is available.

### **No offer**

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers, the Registrars or the Issuing and Paying Agent to any person to subscribe for, purchase or otherwise deal in any Notes nor is it intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any Notes.

### **References to credit ratings**

There are references to credit ratings in this Information Memorandum. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Each credit rating should be evaluated independently of any other credit 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 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 may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*

### **Stabilisation**

In connection with any issue of Notes outside Australia or New Zealand, a Dealer (if any) designated as stabilising manager in any relevant Pricing Supplement may over-allot or effect transactions outside Australia or New Zealand (as the case may be) and on a market operated outside Australia or New Zealand which stabilise or maintain the market price of the Notes of the relevant Series at a level which might not otherwise prevail for a limited period after the issue date and only if such transactions occur outside Australia or New Zealand and have no relevant jurisdictional connection to Australia or New Zealand. Such stabilising shall be in compliance with all relevant laws and regulations.

### **Currencies**

References in this Information Memorandum to "**A\$**" or "**Australian dollars**" are to the lawful currency of the Commonwealth of Australia, references to "**NZ\$**" or "**New Zealand dollars**" are to the lawful

currency of New Zealand and references to “euro” or “€” are to the single currency adopted by those states participating in the European Monetary Union from time to time under the Treaty of the European Union.



# Summary of the Programme

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*The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the applicable Conditions and the relevant Pricing Supplement.*

Issuer:	Municipality Finance Plc (Kuntarahoitus Oyj)
Guarantor:	The Municipal Guarantee Board (Kuntien takauskeskus)
Programme:	An uncommitted medium term note programme allowing for the issue of medium term notes in the Australian and New Zealand wholesale domestic capital markets.
Programme Term:	The Programme continues until terminated by the Issuer giving 30 days' notice to the Arranger and Dealers then appointed to the Programme, or earlier by agreement between them.
Programme Limit:	A\$2,000,000,000. The Programme Limit may be increased by the Issuer from time to time in accordance with the provisions of the Dealer Agreement for the Programme.
Arranger:	Royal Bank of Canada (ABN 86 076 940 880)
Dealers:	Royal Bank of Canada (ABN 86 076 940 880)  Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832)  Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162)  The Toronto-Dominion Bank  Additional Dealers may be appointed from time to time in accordance with the Amended and Restated Dealer Agreement dated 11 March 2008, as amended and supplemented from time to time (" <b>Dealer Agreement</b> "), including in relation to a particular Tranche. An updated list of Dealers may be obtained from the Arranger. Dealers may be removed upon 30 days' notice from the Issuer.
Registrar and Issuing and Paying Agent:	For:  (a) Australian Domestic Notes, Austraclear Services Limited (ABN 28 003 284 419) (" <b>Australian Registrar</b> ");  (b) New Zealand Domestic Notes, Computershare Investor Services Limited (" <b>New Zealand Registrar</b> "); and  (c) any other persons appointed by the Issuer under an Agency Agreement (as defined in the Conditions) to establish and maintain a Register (as defined below) on the Issuer's behalf from time to time and perform issuing and paying agency functions,  each a " <b>Registrar</b> " and together, the " <b>Registrars</b> ".

Status of Notes:	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and will at all times rank <i>pari passu</i> among themselves equally with all other present or future unsecured and unsubordinated obligations of the Issuer.
Bail-in:	<p>By subscribing for or otherwise acquiring the Notes, the Holders shall be bound by the exercise of any Bail-in Power by the Relevant Resolution Authority. The exercise of such Bail-in Power may result in:</p> <p>(a) the write-down or cancellation of all, or a portion of, the principal amount of, and/or interest on, the Notes; and/or</p> <p>(b) the conversion of all, or a portion, of the principal amount of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person,</p> <p>including, in all cases, by means of a variation to the Conditions to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power.</p> <p>No repayment of the principal amount of the Notes or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Bail-in Power) shall become due and payable after the exercise of any Bail-in Power by the Relevant Resolution Authority, unless such repayment or payment would be permitted to be made by the Issuer under the laws and directives then applicable to the Issuer.</p>
Negative pledge:	The Notes will have the benefit of a negative pledge from the Issuer as more fully described in Condition 5 (“Negative pledge”).
Guarantee:	The Guarantor will guarantee payment of all amounts due under the Notes under a guarantee and indemnity deed poll dated 11 March 2008 granted by the Guarantor in favour of the Holders of the Notes from time to time (“ <b>Guarantee</b> ”).
Events of default:	Notes will have Events of Default including a cross default provision (see Condition 16 (“Events of Default”)).
Types of Notes:	The Notes may be Fixed Rate Notes, Floating Rate Notes, Index Linked Notes, Zero Coupon Notes or other forms of Structured Notes. They may be issued at a discount or premium (as defined in the Conditions and the relevant Pricing Supplement) or other notes as specified in a Pricing Supplement.
Form of Notes:	<p>Notes will be in registered dematerialised form. They will be debt obligations of the Issuer which are constituted by and owing under the Second Note Deed Poll made by the Issuer dated 11 March 2008, as amended, supplemented or replaced from time to time (“<b>Note Deed Poll</b>”).</p> <p>Notes take the form of entries in a register (“<b>Register</b>”) maintained by a Registrar. The terms and conditions applicable to a particular Tranche of Notes are contained in the section of this Information Memorandum entitled “Conditions of the Notes”, as may be modified, supplemented, amended or replaced by the Pricing Supplement (described further below) for the relevant Tranche.</p>

Title:	<p>Entry of the name of the person in the Register in respect of a Note constitutes the obtaining or passing of title and it is conclusive evidence that the person so entered is the registered holder of the Notes subject to correction for fraud or error.</p> <p>Notes which are held in the Austraclear System (defined below) will be registered in the name of Austraclear Ltd (ABN 94 002 060 773) ("<b>Austraclear</b>").</p> <p>Notes which are held in the NZClear System (as defined below) will be registered in the name of New Zealand Central Securities Depository Limited ("<b>NZCSD</b>").</p> <p>No certificate or other evidence of title will be issued to Holders unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation.</p>
Clearing Systems:	<p>The Issuer may apply to Austraclear for approval for the Australian Domestic Notes to be traded on the settlement system operated by Austraclear ("<b>Austraclear System</b>"). Such approval is not a recommendation or endorsement by Austraclear of the Australian Domestic Notes.</p> <p>The Issuer may apply to the Reserve Bank of New Zealand ("<b>RBNZ</b>") for approval for the New Zealand Domestic Notes to be traded on the settlement system operated by RBNZ ("<b>NZClear System</b>") and together with the Austraclear System, a "<b>Clearing System</b>"). Such approval is not a recommendation or endorsement by RBNZ of the New Zealand Domestic Notes.</p> <p>See the section entitled "Clearing and Settlement" below for more details.</p>
Governing law:	<p>The Notes, and all related documents, will be governed by the laws of New South Wales, Australia, except for the Agency Agreement entered into with the New Zealand Registrar, which will be governed by the laws of New Zealand.</p>
Use of proceeds:	<p>Proceeds realised from the issue of Notes will be used by the Issuer in conformity with the provisions of the Municipal Guarantee Board Act (Finland) and the Municipal Guarantee Board Standing Orders (Finland).</p>
Currency:	<p>In respect of Australian Domestic Notes, Australian dollars.</p> <p>In respect of New Zealand Domestic Notes, New Zealand dollars.</p>
Ratings:	<p>Notes to be issued under the Programme may be rated by one or more rating agencies. The credit rating of an individual Tranche or Series of Notes will be specified in the relevant Pricing Supplement for those Notes (or another supplement to this Information Memorandum).</p> <p>A 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.</p>
	<p><i>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</i></p>

*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 may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*

- Issuance in Series: Notes will be issued in Series.
- Each Series of Notes may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that, amongst other things, the issue date and the first payment of interest may be different in respect of different Tranches of a Series.
- Denominations: Notes will be issued in the denomination of A\$1,000 (in the case of Australian Domestic Notes), NZ\$1,000 (in the case of New Zealand Domestic Notes) or such other denomination specified in the relevant Pricing Supplement, provided that:
- (a) in relation to Australian Domestic Notes offered in Australia:
    - (i) the aggregate consideration payable in respect of an issue or transfer is at least A\$500,000 (or its equivalent in another currency, disregarding money lent by the offeror or its associates) or does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
    - (ii) the transfer is not to a “retail client” as defined for the purposes of section 761G of the Corporations Act; or
  - (b) in relation to New Zealand Domestic Notes offered in New Zealand the Notes are issued to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 of the NZ FMCA, which includes a person who is an “investment business”, “large”, or a “government agency”, in each case as defined in Schedule 1 to the NZ FMCA, provided (for the avoidance of doubt) that Notes may not be issued to any “eligible investor” (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule; and
  - (c) the issue complies with all other applicable laws.
- Tenor: The Notes will be issued with a minimum tenor of 365 days and there will be no maximum tenor (or as otherwise specified in the relevant Pricing Supplement).
- Issue Price: The Notes may be issued at any price as specified in the relevant Pricing Supplement.
- Pricing Supplement: This Information Memorandum is to be read in conjunction with the Pricing Supplement issued by the Issuer in relation to the Notes. Each Pricing Supplement will provide particular information relating to a particular Tranche of Notes to be issued as part of a series

including details of the form of the Notes, the Series in which the Notes will be issued and any other information pertinent to the issue of those Notes.

Transfer procedure:

Transfers of Notes are subject to the restrictions set out in the Conditions.

Notes may only be transferred in whole.

Notes may only be transferred if the transfer is in compliance with any applicable laws of the jurisdiction where the transfer takes place.

Transfers of Notes held in a Clearing System may only be made in accordance with the rules and regulations of the relevant Clearing System. Transfers of Notes not held in a Clearing System may be made by lodgment of a transfer form with the Registrar. Transfer forms are available from the Registrar.

Transfers take effect when they are entered in the Register. No transfers of Notes will be registered during the period from the Record Date until the Business Day after the relevant date for payment.

Transfers will be registered without charge provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid. The Holder is responsible for any stamp duties or other similar taxes which are payable in any jurisdiction in connection with any transfer, assignment or any other dealing with the Notes.

Redemption:

The Notes may be redeemed prior to scheduled maturity in certain circumstances.

The applicable Pricing Supplement may indicate that the relevant Notes cannot be redeemed prior to their stated maturity. Alternatively, the applicable Pricing Supplement may indicate that the relevant Notes will be redeemable at the option of the Issuer (upon giving notice to the Holders) or at the option of the Holders (upon giving notice to the Issuer). In each case, the relevant Notes will be redeemable on a date or dates specified prior to their stated maturity and at a price or prices on the terms specified in the relevant Pricing Supplement.

Where Notes are held in a Clearing System and no early redemption is specified in the relevant Pricing Supplement, the Notes will be redeemed at maturity through the Clearing System in a manner consistent with the rules and regulations of that Clearing System.

Payments and Record Date:

In relation to Australian Domestic Notes:

Payments of interest will be made to the persons whose names are entered in the Register at the close of business on the eighth calendar day before a payment date or such other period specified in the relevant Pricing Supplement. Payments of principal will be made to the persons whose names are on the Register at 10.00 am on the payment date.

Payments to persons who hold Notes through the Austraclear System will be made by transfer to their relevant account in accordance with the Austraclear Regulations (as defined in the

Conditions).

In relation to New Zealand Domestic Notes:

Payments of interest will be made to the persons whose names are entered in the Register at the close of business on the tenth calendar day before a payment date or such other period specified in the relevant Pricing Supplement. Payments of principal will be made to the persons whose names are on the Register at 10.00am (New Zealand time) on the payment date.

Payments to persons who hold Notes through the NZClear System will be made by transfer to their relevant account in accordance with the NZClear Regulations (as defined in the Conditions).

**Listing:** The Australian Domestic Notes will not be listed on the stock exchange operated by ASX Limited (ABN 98 008 624 691) ("**ASX**") and the New Zealand Domestic Notes will not be listed on the NZDX market operated by NZX Limited ("**NZX**") unless otherwise specified in the relevant Pricing Supplement. Notes which are listed on the ASX will not be transferred through or registered on the Clearing House Electronic Sub-Register System ("**CHESS**") operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products". New Zealand Domestic Notes which are listed on the NZDX market will be transferred and registered through the Fully Automatic Screen Trading and Electronic Registration Trading System ("**FASTER**").

**Calculation Agents:** If a Calculation Agent is required for the purpose of calculating any amount or making any determination under a Note, such appointment will be notified in the relevant Pricing Supplement.

The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent.

**Stamp duty:** Any stamp duty incurred at the time of issue of the Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the Holders. As at the date of this Information Memorandum, no *ad valorem* stamp duty is payable in any Australian State or Territory or in New Zealand on the issue of the Notes, transfer or redemption of the Notes. Investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Notes, or interests in Notes, in any jurisdiction outside of Australia or New Zealand.

**Taxes:** An overview of the Australian, New Zealand and Finnish taxation treatment of payments of interest in the Notes is set out in "Taxation" below. However, investors should obtain their own taxation advice regarding the taxation status of investing in Notes.

FATCA: The United States has enacted rules (commonly referred to as “**FATCA**”) that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with Finland (the “**IGA**”). Under the IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisers regarding the potential impact of FATCA.

Selling restrictions: The offering, sale and delivery of Notes and the distribution of this Information Memorandum and other material in relation to any Notes are subject to such restrictions as may apply in any country in connection with the offering and sale of a particular Tranche of Notes. In particular, restrictions on the offer or sale of the Notes in Australia and New Zealand and on the offer or sale of Notes in or from the United States of America, Hong Kong, Singapore, Japan and the United Kingdom are set out in the section entitled “Subscription and Sale” below.

Restrictions on the offer, sale and/or distribution of Notes may also be set out in the relevant Pricing Supplement.

Investors to obtain independent advice with respect to investment and other risks: This Information Memorandum does not describe all of the risks of an investment in any Notes. Prospective investors should consult their own professional, financial, legal and tax advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

# Corporate Profile - Issuer

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**Statutory auditors** KPMG Oy Ab, Authorized Public Accountants, Töölönlahdenkatu 3, 00100 Helsinki, Finland

**Information about the Issuer** The Issuer was established on 1 May 2001 as a merger between the old Municipality Finance Plc (established in 1989) and Municipal Housing Finance Plc (established in 1993).

The Issuer acts under its legal name “Municipality Finance Plc (Kuntarahoitus Oyj)”. The Issuer is a credit institution referred to in the (Finnish) Credit Institutions Act and was entered onto the Trade Register of Finland on 1 May 2001 under the corporate code 1701683-4 and is subject to Finnish Law.

The head office of the Issuer is located at Jaakonkatu 3A, 00100 Helsinki, Finland.

The Issuer engages in credit institution activities referred to in the Credit Institutions Act. The Issuer serves the entire Finnish municipal sector and particularly organisations within the municipal sector referred to in section 1 of the Municipal Guarantee Board Act (487/96). In addition, the Issuer offers investment services and custodial and management services.

The Issuer divested its financial advisory services on 8 November 2007 to a subsidiary named Financial Advisory Services Inspira Ltd.

The Issuer’s mission is to be, as a financial institution owned by the municipal sector, the most sought-after and active partner in municipal-sector financial services. The Issuer’s aim is to ensure cost-effective financial services for municipalities, to operate efficiently and grow profitably, and to improve its self-sufficiency and increase its own funds primarily through funds from its operations. The Issuer focuses actively on customer relations and creates solutions and services for its customers. The risk management approach of the Issuer is based on risk avoidance and minimisation.

**Organisational structure** The Issuer’s five largest shareholders are the Keva (30.66%), the Finnish State (16.00%), the City of Helsinki (10.41%), the City of Espoo (3.96%) and The VAV Asunnot Oy (owned by the City of Vantaa) (2.47%).

Under the Issuer’s Articles of Association, the Issuer’s shares may not be assigned to anyone other than the Local Government Pension Institution, municipalities, municipal federations, central organisations of municipalities, entities wholly owned by or under the control of municipalities or municipal federations or companies owned by such entities.

**The Issuer’s activities** The Issuer is one of the largest financial institutions in Finland and the only one specialised in the financing and financial risk management of the Finnish public sector. The Issuer’s lending is offered exclusively to Finnish municipalities, their majority-owned companies and non-profit social housing companies.

The Issuer aims to provide its clientele with the most competitive funding possible. In addition to long and short-term funding and investment options for its clients, the Issuer provides consulting on



funding, risk management, balance sheet management and investment activities.

Funding by the Issuer is guaranteed by The Municipal Guarantee Board. All borrowings of the Issuer under this Programme are guaranteed by The Municipal Guarantee Board. The Municipal Guarantee Board is an institution under public law which was established on the basis of the Municipal Guarantee Board Act (487/96), and its municipality members are jointly liable for its expenses and commitments.

## Credit rating

As at the date of this Information Memorandum, the credit ratings for the Issuer's long-term funding are:

- Moody's Investors Service: Aaa
- Standard & Poor's: AA+

As at the date of this Information Memorandum, the Issuer's short-term funding (Treasury Bills) ratings are:

- Moody's Investors Service: Prime-1
- Standard & Poor's: A-1+

In the capital adequacy calculations of banks and credit institutions, the Issuer's debt instruments guaranteed by Keva or The Municipal Guarantee Board are considered zero-risk weighted in Finland.

*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 may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*

## Funding

The Issuer's long-term funding takes place in both the international (e.g. the euro zone, Japan, Australia, New Zealand and other Asian markets, Switzerland, the United States) and domestic capital markets. International funding is usually obtained through bond issues. The main form of raising international funds is the issuance of bonds under the Issuer's MTN Programme.

The Issuer's short-term funding is obtained through the issuance of Euro-Commercial Papers (ECPs). Short-term funding is used for the municipal sector's short-term financial needs and for securing the liquidity required for the Issuer's normal business operations. ECPs are short-term, liquid, low-risk money market instruments for the investment needs of municipalities and other investors, for instance. ECPs are issued under the Euro-Commercial Paper Programme of the Issuer.

## **Lending**

The Issuer grants loans:

- to municipalities and municipal federations;
- at preferential terms in accordance with European Community State aid rules to corporations designated by state authorities and engaging in the renting or production and maintenance of housing on social grounds, or corporations controlled by them; and
- at preferential terms in accordance with European Community State aid rules to entities totally owned or controlled by municipalities or municipal federations, or municipal enterprises provided they fall within certain categories. They should either provide public services falling within the sphere of municipal authority as provided for in the applicable legislation or carry out functions directly in service thereof. Alternatively, they should provide other services essential to citizens, if due to local or regional circumstances the provision of such services is necessary to ensure their availability or efficient provision.

An absolute guarantee or a deficiency guarantee from a municipality or municipal federation, a State deficiency guarantee or a guarantee from the State and a municipality are received as loan collateral in order for the Issuer to advance funds. In addition, a deficiency guarantee for a loan project requires mortgage security. A loan can be granted directly to a municipality or a municipal federation without separate collateral.

Because of the Issuer's policy on guarantees, lending by the Issuer is considered zero risk in the capital adequacy calculations of banks and credit institutions in Finland.

The Issuer offers also short-term funding products to municipalities, municipal federations and to organisations controlled by municipalities and municipal federations.

By acquiring funding jointly through the Issuer, municipalities can benefit from the good overall credit standing of the entire municipal sector and raise funds in the wholesale market.

Because of the composition of the Issuer's clientele, lending by the Issuer can be considered low-risk.

Neither the Issuer nor its predecessors has ever suffered any credit losses or had non-performing loans.

## **Securing liquidity and risk management**

To secure liquidity, the Issuer has a substantial pre-funding portfolio. To maintain its liquidity, the Issuer may also, if necessary, issue ECPs.

The Issuer aims to satisfy the financing needs of the municipal sector and the social housing sector as cost-effectively as possible. Because the Issuer is owned by the municipal sector, it does not seek maximum profit from its business operations, which is why risk-taking is also minimised. The Issuer uses appropriate risk management software.

Risk management has been organised in an efficient and expert

manner with regard to the Issuer's size, the extent of the Issuer's operations and the Issuer's conservative risk policy. The practical aspects of risk management are the responsibility of the Managing Director and the management group assisting him. The Issuer's management group handles risk management matters at its meetings at least once a month.

The Issuer's task is to provide competitive funding for Finnish municipalities and the social housing sector. In accordance with this principle, the only credit risk affecting the Issuer's lending portfolio is related to that of municipalities, municipal federations and the State. If any loans are granted to entities owned or controlled by municipalities, these must have municipalities as their majority owners and an absolute guarantee or a deficiency guarantee from a municipality or municipal federation or a deficiency guarantee from the State. The Issuer's entire lending portfolio bears zero risk in the capital adequacy calculation of banks and financial institutions. The same applies to all debt instruments of various durations issued by the Issuer itself.

Principles based on credit rating and contract types, approved by the Issuer's Board of Directors are applied to assessment of credit risk when contractual counterparties are being chosen. In addition to credit risk and counterparty risk, the Issuer regularly monitors trends in market, financing, liquidity, operational, legal and strategic risks and factors affecting them.

# Corporate Profile - Guarantor

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## **Information about the Guarantor**

The Guarantor is an institution under public law established by the (Finnish) Act on the Municipal Guarantee Board (487/96) and it is domiciled in Helsinki. Its objective is to secure competitive funding for the municipal sector based on the creditworthiness of the whole sector. Under section 1 of the Municipal Guarantee Board Act, to implement its objective, the Guarantor can grant guarantees to such fund acquisition by the municipal sector's credit institutions that will be used for lending to the municipal sector or to state designated non-profit organisations that engage in the renting, construction or maintenance of social housing.

## **Organisational structure**

The membership of the Guarantor consists of all Finnish municipalities (excluding the Åland islands).

## **Operations and Financial Standing**

The expenses of The Municipal Guarantee Board are mostly covered by income from guarantee commissions. To secure its liquidity, The Municipal Guarantee Board has a fund which accumulates funds from guarantee commissions charged by The Municipal Guarantee Board. The Municipal Guarantee Board currently has one financial institution to which it can grant guarantees.

To secure its liquidity, The Municipal Guarantee Board has a back-up facility. As members of The Municipal Guarantee Board, municipalities are responsible for funding expenses and commitments that cannot be otherwise covered, in proportion to their population at previous year-end as referred to in the Population Information Act (507/93).

## **Administration**

The managing bodies of the Guarantor are the Council and the Board of Directors.

The day-to-day management of the Guarantor is handled by the managing director in accordance with instructions and orders from the Board of Directors.

The necessary provisions on the composition and terms of office, duties and other activity are laid down in the Standing Orders of The Municipal Guarantee Board.

The operations of the Guarantor are supervised by the Guarantee Board Auditor appointed by the Ministry of Finance at the proposal of the Board of Directors.

# EU Bank Resolution and Recovery Directive

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## *The Issuer may be subject to statutory resolution*

To complement the European Parliament and Council Regulation establishing the prudential requirements for credit institutions and investment firms (Regulation (EU) No 575/2013, known as the Capital Requirements Regulation or "**CRD IV Regulation**") and the European Council Directive (through an amendment of Directive 2002/87/EC) governing access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (known as "**CRD IV**"), on 2 July 2014 the directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (known as the Bank Recovery and Resolution Directive or "**BRRD**") entered into force. The BRRD is designed to provide authorities with a harmonised set of tools and powers to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. The BRRD provides that it will be applied by Member States from 1 January 2015, other than the bail-in provisions (as contained in Section 5 of Chapter IV of Title IV) for which the implementation deadline is 1 January 2016.

The BRRD requires, inter alia, that EU credit institutions produce and maintain recovery plans setting out the arrangements that may be taken to restore the long-term viability of the institution in the event of a material deterioration of its financial position. National competent authorities will be required to prepare resolution plans setting out how an institution might be resolved in an orderly fashion and its essential functions preserved, if it were to fail. This includes the potential application of the resolution tools and powers referred to below as well as options for ensuring the continuity of critical functions.

The BRRD has been implemented in Finland through the Act on Resolution of Credit Institutions and Investment Firms (1197/2014, as amended) (in Finnish laki luottolaitosten ja sijoituspalveluyritysten kriisinratkaisusta), (the "**Resolution Act**") and the Act on Financial Stability Authority (1198/2014, as amended) (in Finnish laki rahoitusvakaussviranomaisesta). The latter regulates the Finnish Resolution Authority (the "**FRA**"), which will be the national resolution authority. The Ministry of Finance will have responsibility for the FRA until the authority is fully operational (at the latest until 1 January 2016). Both acts entered into force on 1 January 2015 and apply to the Issuer.

Under the new regime, credit institutions are generally required to draw up recovery plans or living wills to secure continuation of business in financial distress. These plans must include options for measures to restore the financial viability of the institution and they must be updated yearly and submitted to the Finanssivalvonta (or the Financial Supervisory Authority) ("**FIN-FSA**") for review. The FIN-FSA has issued a statement requiring that Finnish credit institutions, including the Issuer, draw up and submit to the FIN-FSA recovery plans by the end of July 2015. In the context of the new legislation, the FIN-FSA became empowered to apply early intervention tools to banks and investment firms if the FIN-FSA has reasons to believe that the institution will fail its licensing conditions or obligations under the CRD IV Regulation within a 12 month period. The FIN-FSA's early intervention tools include, inter alia, the ability to require the management of an institution to implement measures included in the living will, to convene a general meeting of shareholders to take decisions relating to the recovery process, to require removal of members of the management and to require changes to the legal and financial structure of the institution.

Pursuant to the Resolution Act, the FRA shall draw up and adopt a resolution plan for institutions subject to its powers, which includes the Issuer. The resolution plan must be ready for execution in the event that the institution in question has to be placed into a resolution process. The Resolution Act vests the FRA with resolution powers and tools as provided in the BRRD. The resolution tools are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant institution could have been initiated and the FRA will only be permitted to use resolution powers and tools in relation to an institution if it determines that all the conditions for resolution are satisfied. These conditions are (a) the determination that the institution is failing or likely to fail (the "failure condition"); (b) there is no reasonable prospect that any solution, other than a resolution action taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe (the "no

alternative condition"), and (c) intervention through resolution action is necessary in the public interest (the "public interest condition").

During a resolution process, an institution such as the Issuer could be subject to a number of resolution tools: mandatory write-down of debts or conversion of debts into equity ("bail-in", as further described below), sale of business, transfer of all or part of the business to a bridge institution and asset separation. To continue the operations of the institution, the FRA has the power to decide to reduce the value of the institution's share capital or cancel its shares to cover losses. This reduction in value or cancellation is a precondition for any support from a newly established resolution fund administered by the FRA.

### ***Bail-in tool under BRRD***

A bail-in tool (which comprises a general power for resolution authorities to write-down the claims of certain unsecured creditors (which may include holders of Notes) of a failing institution or to convert such debt claims to equity, which may itself be subject to subsequent write-down) is required to be implemented under the BRRD by 1 January 2016 at the latest. The Resolution Act includes the bail-in tool which is implemented in Finland as of 1 January 2015. The bail-in tool can be used to recapitalise an institution that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring. The bail-in tool could be used to impose losses on holders of Notes by effecting the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes, and/or the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes, to give effect to the exercise by the relevant resolution authority of such bail-in tool.

In the Guarantee, the Guarantor has guaranteed the payment of the principal amount of the Notes issued under the Programme together with any accrued penalty interest thereof. Pursuant to article 44, paragraph 2 of BRRD and the respective implementing provision of the Resolution Act, the FRA shall not exercise write-down or conversion powers in relation to secured liabilities, to the extent that the fair value of the secured collateral covers the amount of the outstanding debt. The BRRD defines secured liability to mean a liability where the right of the creditor to payment or other form of performance is secured by a charge, pledge or lien, or collateral arrangements including liabilities arising from repurchase transactions and other title transfer collateral arrangements. Due to the discrepancy between the Finnish and English language definitions of the secured liability in the BRRD and the ambiguity of the Resolution Act in this respect, the guarantee by the Guarantor could be interpreted as bringing the Notes issued under the Programme within the scope of the bail-in tool. This may result in Holders of Notes losing some or all of their investment.

### ***Regulatory supervision of the Issuer may be transferred to the ECB and the Issuer may become subject to the European Single Resolution Mechanism***

The licensing of credit institutions and the supervision of the most significant banks and financial groups in the Eurozone were transferred to the European Central Bank ("**ECB**") as of 4 November 2014 in the context of the Single Supervisory Mechanism ("**SSM**"). Furthermore, the EU has adopted a directly applicable regulation governing the resolution of the most significant financial institutions in the Eurozone, i.e. a regulation establishing a Single Resolution Mechanism for them (806/2014, "**SRM Regulation**"). The SRM Regulation establishes a single European resolution board (consisting of representatives from the ECB, the European Commission and the relevant national resolution authorities) (the "**Resolution Board**") having resolution powers over the entities that are subject to the SRM, thus replacing or exceeding the powers of the national resolution authorities.

The Resolution Board will have the authority to exercise the specific resolution powers pursuant to the SRM Regulation similar to those of the national resolution authorities under the BRRD. These specific resolution powers include the sale of business tool, the bridge institution tool, the asset separation tool, the bail-in tool and the mandatory write-down and conversion power in respect of capital instruments. The use of one or more of these tools will be included in a resolution scheme to be adopted by the Resolution Board. National resolution authorities will remain responsible for the execution of the resolution scheme according to the instructions of the Resolution Board.

The Finnish legislation adopting the amendments necessitated by the SRM Regulation entered into force on 1 January 2015. Thus, the major banks and financial groups domiciled in Finland will ultimately be subject to the SRM Regulation instead of the Finnish rules implementing the BRRD. Although there remains uncertainty whether the Issuer will be subject to the Finnish rules implementing the BRRD or the SRM Regulation, according to the Issuer's financial statements of 2014, the Issuer would fulfil the requirements of a significant institution and, therefore, it is likely that the supervision of the Issuer will be transferred to the ECB in accordance with the SSM. Furthermore, it is also likely that the Issuer will be covered by the SRM Regulation. However, as the SRM Regulation will in material respects take effect only as of 1 January 2016, the Finnish regime implementing BRRD will be applied across the board to all Finnish institutions for a transitional period.

### ***Effect of resolution powers under the Resolution Act, BRRD and SRM Regulation***

The powers set out in the Resolution Act, BRRD and the SRM Regulation will impact how Finnish credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. There remains uncertainty regarding how the new Finnish resolution legislation would affect the Issuer, the Issuer and its consolidated subsidiary (together, the "**Group**") and the Notes. The Notes may be subject to the bail-in powers and could be written down or converted into equity as part of a resolution process. The exercise of any power under the Resolution Act, BRRD or SRM Regulation or any suggestion of such exercise could materially adversely affect the rights of Holders, the price or value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. Until the new regulations take full effect, the Issuer cannot predict the precise effects of the resolutions powers, including the bail-in power and the write-down and conversion power, on the Notes. Prospective investors in the Notes should consult their own advisors as to the consequences of the Resolution Act, BRRD and SRM Regulation.

### ***EBA Consultation Paper on the minimum requirement for own funds and eligible liabilities under the BRRD***

To ensure that institutions always have sufficient loss-absorbing capacity, the BRRD requires institutions to maintain at all times a sufficient aggregate amount of own funds (as defined in Article 4(1)(118) of the CRD IV Regulation) and "eligible liabilities" (namely, liabilities and other instruments that do not qualify as Tier 1 or Tier 2 capital and that may be bailed-in using the bail-in tool). This is known as the minimum requirement for eligible liabilities ("**MREL**"). On 28 November 2014, the European Banking Authority ("**EBA**") published a consultation paper setting out draft regulatory technical standards ("**RTS**") on the criteria for determining an institution's MREL under the BRRD. In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that all institutions must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities, with effect from 1 January 2016 (or, if earlier, the date of national implementation of the BRRD). The draft RTS provide for resolution authorities to allow institutions a transitional period of up to four years to reach the applicable MREL requirements. The applicability of the bail-in tools to the Notes and accordingly MREL requirements is uncertain (see "*Bail-in tool under BRRD*").

The RTS do not set a minimum EU-wide level of MREL, and the MREL requirement applies to all credit institutions, not just to those identified as being of a particular size or of systemic importance. Each resolution authority is required to make a separate determination of the appropriate MREL requirement for each resolution group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution. At the date of this Information Memorandum, the FIN-FSA has not elaborated MREL requirements in Finland or how they will be applied to the Issuer.

Items eligible for inclusion in MREL will include an institution's own funds (within the meaning of CRD IV), which includes the Notes, along with "eligible liabilities", meaning liabilities which, *inter alia*, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year), and do not arise from derivatives. The MREL requirement may also have to be met partially through the issuance of contractual bail-in instruments, being instruments that are effectively subordinated to other eligible liabilities in a bail-in or insolvency of the relevant institution. The EBA's proposals are in draft form, and may therefore be subject to change. As a result, it is not possible to give any assurances as to the ultimate scope and nature of any resulting obligations, or the

impact that they will have on the Issuer or the Group once implemented. If the EBA's proposals are implemented in their current form however, it is possible that the Issuer or the Group may have to issue a significant amount of additional eligible liabilities in order to meet the new MREL requirements within the required timeframes. If the Group was to experience difficulties in raising eligible liabilities, it may have to reduce its lending or investments in other operations.



# Conditions of Notes

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*The following are the terms and conditions which, as supplemented, amended or replaced by the relevant Pricing Supplement, apply to each Note. References to the "Pricing Supplement" in these conditions do not limit the provisions which may be supplemented, amended or replaced by the Pricing Supplement in relation to a particular Series of Notes.*

*Definitions and interpretation provisions are set out in Condition 1 ("Interpretation").*

## Part 1 Introduction

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### 1 Interpretation

#### 1.1 Definitions

In these Conditions the following expressions have the following meanings, unless otherwise specified in the relevant Pricing Supplement:

**Accrual Yield** means, for a Zero Coupon Note, the yield so specified in the relevant Pricing Supplement.

**Additional Amount** means an additional amount payable by the Issuer under Condition 14.2 ("Withholding tax").

**Agency Agreement** means:

- (a) the Australian Agency Agreement;
- (b) the New Zealand Agency Agreement;
- (c) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and
- (d) any other agency agreement between the Issuer and an Agent in relation to an issue of Notes under the Programme.

**Agent** means:

- (a) in the case of Australian Domestic Notes, the Australian Registrar;
- (b) in the case of New Zealand Domestic Notes, the New Zealand Registrar;
- (c) the Issuing and Paying Agent;
- (d) each Calculation Agent; and
- (e) any additional agent appointed under an Agency Agreement.

**Austraclear** means Austraclear Ltd (ABN 94 002 060 773).

**Austraclear Regulations** means the regulations known as the "Austraclear Regulations" together with any instruction or directions, (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system.

**Austraclear Services** means Austraclear Services Limited (ABN 28 003 284 419).

**Austraclear System** means the system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system.

**Australian Agency Agreement** means the agreement entitled “Agency and Registry Services Agreement” dated 8 October 2009 between the Issuer and the Australian Registrar.

**Australian Domestic Note** means a Note denominated in Australian dollars, which may be cleared through the Austraclear System and specified in the applicable Pricing Supplement.

**ASX** means ASX Limited (ABN 98 008 624 691) or the market operated by it, as the context requires.

**Australian Registrar** means, in relation to Australian Domestic Notes, Austraclear Services or such other person appointed by the Issuer pursuant to an Agency Agreement to maintain a Register in respect of Australian Domestic Notes and perform such payment and other duties specified in that agreement.

**Bail-in Power** means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws or directives relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in Finland in effect and applicable in Finland to the Issuer, including but not limited to any such laws or directives that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council of the European Union establishing a framework for the recovery and resolution of credit institutions and investment firms or otherwise, pursuant to which obligations of a credit institution or investment firm or any of its affiliates can be written-down, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person;

**Business Day** means (except in relation to a Note, where otherwise specified in the Pricing Supplement) a day on which commercial banks are generally open to settle payments and for general banking business in Helsinki, and:

- (a) for Australian Domestic Notes, Sydney, Australia; and
- (b) for New Zealand Domestic Notes, Auckland, New Zealand,

(not being a Saturday, Sunday or public holiday in that place) and in relation to any date for payment of euro, a TARGET2 Day, and, if a Note is to be issued or paid on that day, a day on which the relevant Clearing System is operating.

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) that date is brought forward to the first preceding day that is a Business Day; and
  - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months (or other period specified as the Interest Period in the Pricing Supplement) after the preceding applicable Interest Payment Date occurred;

- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

**Calculation Agent** means Austraclear Services or any other person specified in the relevant Pricing Supplement as the party responsible for calculating the Interest Rate and any other amount required to be calculated under these Conditions.

**Charge** means any mortgage, charge, lien (other than any lien arising by operation of law), pledge or other security interest.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

**Clearing System** means:

- (a) the Austraclear System;
- (b) the NZClear System; or
- (c) any other clearing system specified in the relevant Pricing Supplement.

**Condition** means the correspondingly numbered condition in these terms and conditions.

**Corporations Act** means the Corporations Act 2001 of Australia.

**Day Count Fraction** means, in respect of the calculation of an amount of interest of any Note for any period of time ("**Calculation Period**"), the day count fraction specified in the Pricing Supplement and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (f) if “**30E/360**” or “**Eurobond basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

- “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

(g) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
  - “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
  - “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
  - “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
  - “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February, or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and
  - “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation 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 D<sub>2</sub> will be 30;
- (h) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));
- (i) if “**RBNZ Bond Basis**” or “**NZ Govt Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year; and

- (j) any other Day Count Fraction specified in the Pricing Supplement.

**Denomination** means the nominal face value of a Note specified in the Pricing Supplement.

**Depository** means New Zealand Central Securities Depository Limited or any other entity appointed from time to time by the Operator, under the NZClear Regulations, as depository trustee to hold securities on the NZClear System.

**Directive** means:

- (a) a law; or
- (b) a treaty, an official directive, request, regulation, guideline or policy (having the force of law or compliance with which is in accordance with the general practice of responsible participants in the market concerned).

**Event of Default** means an event so described in Condition 16.1 (“Events of Default”).

**Extraordinary Resolution** has the meaning given in the Meetings Provisions.

**Final Redemption Amount** means, for a Note, the redemption amount so specified in the Pricing Supplement. However, if no redemption amount is so specified, **Final Redemption Amount** means the Outstanding Principal Amount of the Note on the Maturity Date.

**Fixed Coupon Amount** means, for a Fixed Rate Note, the amount so specified in the relevant Pricing Supplement.

**Fixed Rate Note** means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the Pricing Supplement.

**Floating Rate Note** means a Note on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period or on any date specified in the Pricing Supplement.

**Guarantee** means the second guarantee and indemnity deed poll dated 11 March 2008 relating to the Programme granted by the Guarantor in favour of each Holder.

**Guarantor** means The Municipal Guarantee Board (Kuntien takauskeskus).

**Holder** means a person whose name is for the time being entered in the Register as the holder of the Note or, where the Note is owned jointly by two or more persons, the persons whose names appear in the Register as the joint owners of the Note.

*For the avoidance of doubt, where a Note is held in a Clearing System, references to a Holder include the operator of that system or a nominee for that operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems).*

**Indebtedness** means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures or other like notes (whether or not initially distributed by means of a private placing) which is, or is intended to be, or is capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other established securities market (for which purpose any such indebtedness shall be deemed not to be capable of being quoted, listed or ordinarily dealt in as aforesaid if the terms of its issue expressly so provide).

**Index Linked Note** means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the Pricing Supplement.

**Information Memorandum** means, for a Note:

- (a) the Information Memorandum dated 22 July 2015 or the latest information memorandum which replaces that document; or
- (b) the information memorandum or other offering document referred to in the Pricing Supplement for the Note,

in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Note and all documents incorporated by reference in it, including any applicable Pricing Supplement and any other applicable amendments or supplements to it.

**Instalment Note** means a Note which is redeemable in one or more instalments, as specified in the Pricing Supplement.

**Interest Commencement Date** means, for a Note, the Issue Date of the Note or any other date so specified in the relevant Pricing Supplement.

**Interest Determination Date** means, for a Note, the date so described in the Pricing Supplement.

**Interest Payment Date** means, for a Note, each date so specified in, or determined in accordance with, the Pricing Supplement.

**Interest Period** means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

**Interest Rate** means, for a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the relevant Pricing Supplement or calculated or determined in accordance with these Conditions or the relevant Pricing Supplement.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series).

**Issue Date** means the date on which a Note is, or is to be issued, as specified in, or determined in accordance with, the relevant Pricing Supplement.

**Issue Price** has the meaning given in the relevant Pricing Supplement.

**Issuer** means Municipality Finance Plc (Kuntarahoitus Oyj).

**Issuing and Paying Agent** means:

- (a) in relation to the Australian Domestic Notes, Austraclear Services;
- (b) in relation to New Zealand Domestic Notes, Computershare Investor Services Limited; or
- (c) any other person appointed by the Issuer to perform issuing and paying agency functions as specified in the relevant Agency Agreement.

**Margin** means, for a Note, the margin so specified in, or determined in accordance with, the Pricing Supplement.

**Maturity Date** means, for a Note, the date so specified in the Pricing Supplement.

**Meetings Provisions** means the provisions relating to meetings of Holders set out in schedule 1 ("Meetings Provisions") of the Note Deed Poll.

**New Zealand Agency Agreement** means the agreement entitled "New Zealand Agency and Registry Agreement" dated 11 March 2008 between the Issuer and the New Zealand Registrar.

**New Zealand Domestic Note** means a Note denominated in New Zealand dollars, which may be cleared through the NZClear System and specified as such in the applicable Pricing Supplement.

**New Zealand Registrar** means, in relation to New Zealand Domestic Notes, Computershare Investor Services Limited or such other person appointed by the Issuer pursuant to the New Zealand Agency Agreement to maintain a Register in relation to New Zealand Domestic Notes and perform such payment and other duties as specified in that agreement.

**Note** means a debt obligation issued or to be issued by the Issuer under the Dealer Agreement and which is constituted by, and owing under the Note Deed Poll, the details of which are recorded in, and evidenced by, entry in the Register and includes any Australian Domestic Note and any New Zealand Domestic Note.

**Note Deed Poll** means:

- (a) the deed poll entitled "Second Note Deed Poll" executed by the Issuer on 11 March 2008; and
- (b) such other deed poll that supplements, amends, restates, modifies or replaces the deed poll referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme,

in each case, executed by the Issuer.

**NZClear Regulations** means the regulations known as the "NZClear System Rules" established by the Reserve Bank of New Zealand to govern the use of the NZClear System and includes the operating guidelines deemed to form part of these rules.

**NZClear System** means the system operated by the Reserve Bank of New Zealand in New Zealand for holding securities and electronic recording and settling of transactions in those securities between members of that system.

**NZ FMCA** means the Financial Markets Conduct Act 2013 of New Zealand.

**Outstanding Principal Amount** means, in respect of a Note at any time, the Denomination of the Note less the aggregate of any part of the principal amount of that Note that has been paid or otherwise satisfied by the Issuer at that time.

**Operator** means the Reserve Bank of New Zealand or its successor or replacement from time to time in its capacity as operator of the NZClear System.

**Pricing Supplement** means, in respect of a Tranche, the pricing supplement specifying the relevant issue details in relation to it.

**Process Agent** means KPMG, 10 Shelley Street, Sydney, NSW, 2000 (reference Andrew Dickson).

**Programme** means the Programme for the issuance of medium term notes established by the Issuer and described in Condition 2.1 ("Programme").



**Record Date** means, in respect of any payment date (including the Maturity Date):

- (a) for Australian Domestic Notes, the close of business in the place where the Register is maintained on the eighth calendar day before the payment date;
- (b) for New Zealand Domestic Notes, the close of business in the place where the Register is maintained on the tenth calendar day before the payment date; or
- (c) any other date so specified in the applicable Pricing Supplement.

**Redemption Amount** means, for a Note, the redemption amount determined in accordance with Condition 11.6 (“Calculation of Redemption Amounts”), or any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement for the Note.

**Reference Banks** means the institutions so described in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

**Reference Rate** has the meaning given in the relevant Pricing Supplement.

**Register** means a register, including any branch register, of Holders established and maintained by or on behalf of the Issuer under an Agency Agreement.

**Registrar** means:

- (a) for Australian Domestic Notes, the Australian Registrar;
- (b) for New Zealand Domestic Notes, the New Zealand Registrar; or
- (c) any other person appointed by the Issuer under the relevant Agency Agreement to establish and maintain the Register in respect of a Tranche of Notes on the Issuer’s behalf from time to time.

**Regular Period** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**Relevant Financial Centre** means the financial centre specified in the relevant Pricing Supplement.

**Relevant Resolution Authority** means any authority with the ability to exercise the Bail-in Power;

**Relevant Screen Page** means:

- (a) the page, section or other part of a particular information service (including the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the relevant Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**Relevant Time** has the meaning given in the relevant Pricing Supplement.

**Security Record:**

- (a) for Australian Domestic Notes, has the meaning given to it in the Austraclear Regulations; and
- (b) for New Zealand Domestic Notes, has the meaning given to the term “Security Account” in the NZClear Regulations.

**Series** means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date and Interest Commencement Date may be different in respect of a different Tranche of a Series.

**Specified Office** means the office specified in the most recent Information Memorandum for the Programme or any other address notified to Holders from time to time.

**Specified Period** has the meaning given in the relevant Pricing Supplement.

**Structured Note** means:

- (a) Index Linked Note;
- (b) an Instalment Note; or
- (c) any other type of Notes as set out in the relevant Pricing Supplement.

**TARGET2** means Trans European Automated Real-time Gross Settlement Express Transfer payment system.

**TARGET2 Day** means any day on which TARGET2 is open for the settlement of payments in euro.

**Taxes** means taxes, levies, imposts, deductions, charges or withholdings and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them.

**Tranche** means an issue of Notes specified as such in the relevant Pricing Supplement issued on the same Issue Date and on the same Conditions.

**Zero Coupon Note** means a Note which does not carry entitlement to periodic payment of interest before the redemption date for the Note and which is issued at a discount to its principal amount.

## 1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Conditions to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) a document (including these Conditions) includes any variation or replacement of it;
- (c) “**law**” means common law, principles of equity and laws made by any parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (d) “**Australian dollars**”, “**AUD**” or “**A\$**” is a reference to the lawful currency of Australia;
- (e) “**New Zealand dollars**”, “**NZD**” or “**NZ\$**” is a reference to the lawful currency of New Zealand;
- (f) “**euro**” is a reference to the single currency adopted by those states participating in the European Monetary Union from time to time under the Treaty of the European Union;
- (g) a time of day is a reference to Sydney time unless otherwise specified;
- (h) the word “**person**” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (i) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (k) anything (including any amount) is a reference to the whole and each part of it; and
- (l) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 1.3 References to certain terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the Notes of the relevant Series.
- (c) a reference to a Note is a reference to a Note of a particular Series issued by the Issuer specified in the Pricing Supplement;
- (d) a reference to a Holder is a reference to the holder of Notes of a particular Series;
- (e) if the Notes are Zero Coupon Notes or Structured Notes which do not bear interest, references to interest are not applicable; and
- (f) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

#### **1.4 References to principal and interest**

Unless the contrary intention appears, in these Conditions:

- (a) any reference to “principal” is taken to include the Redemption Amount (as defined in these Conditions), any additional amounts in respect of principal which may be payable under these Conditions, any premium payable in respect of a Note and any other amount in the nature of principal payable in respect of the Notes under these Conditions;
- (b) any reference to “interest” is taken to include any amount in the nature of interest payable in respect of the Notes under these Conditions, including any Additional Amount payable in respect of interest.

#### **1.5 Number**

The singular includes the plural and vice versa.

#### **1.6 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

#### **1.7 Terms defined in Pricing Supplement**

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Notes.

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## **2 Introduction**

### **2.1 Programme**

The Notes may be issued under a medium term note programme established by the Issuer.

### **2.2 Pricing Supplement**

Notes are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the first payment of interest). A Tranche is the subject of the Pricing Supplement which supplements, amends or replaces these Conditions. In the event of any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.

Copies of the Pricing Supplement are available for inspection or upon request by Holders or prospective Holders during normal business hours at the Specified Office of the Registrar.

### **2.3 Type of Notes**

A Note is any one or more of the following:

- (a) a Fixed Rate Note;
- (b) a Floating Rate Note;
- (c) a Zero Coupon Note; or
- (d) a Structured Note,

or any other type of Note specified in the Pricing Supplement.

#### **2.4 Denomination**

Notes are issued in a single Denomination as specified in the Pricing Supplement.

#### **2.5 Currency**

The Notes are denominated in Australian dollars or New Zealand dollars.

#### **2.6 Clearing Systems**

It is the Issuer's intention that Notes will be held in a Clearing System, in which case the rights of a person holding an interest in the Notes lodged in the Clearing System are subject to the rules and regulations of the Clearing System.

#### **2.7 Issue restrictions**

Unless otherwise specified in any relevant Pricing Supplement, Notes may only be issued if:

- (a) in the case of:
  - (i) Australian Domestic Notes:
    - (A) the aggregate consideration payable to the Issuer by the relevant Holder is at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation for the issue of the Notes does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
    - (B) the offer or invitation for the issue of the Notes does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act; or
  - (ii) New Zealand Domestic Notes, the Notes are issued to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 of the NZ FMCA, which includes a person who is an "investment business", "large", or a "government agency", in each case as defined in Schedule 1 to the NZ FMCA, provided (for the avoidance of doubt) that Notes may not be issued to any "eligible investor" (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule; and
- (b) the issue complies with other applicable Directives of the jurisdiction where the transfer takes place.

## **Part 2 The Notes**

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### **3 Form**

#### **3.1 Constitution under Note Deed Poll**

The Notes are debt obligations of the Issuer constituted by, and owing under, the Note Deed Poll.

### **3.2 Form**

The Notes are issued in registered form by entry in the Register.

### **3.3 No certificates**

No certificates will be issued to Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

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## **4 Status of the Notes**

### **4.1 Status**

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu among themselves and equally with all other present or future unsecured and unsubordinated obligations of the Issuer.

### **4.2 Agreement with respect to the exercise of Bail-in Power**

(a) By subscribing or otherwise acquiring the Notes, the Holders shall be bound by the exercise of any Bail-in Power by the Relevant Resolution Authority. The exercise of such Bail-in Power may result in:

- (i) the write-down or cancellation of all, or a portion of, the principal amount of, and/or interest payable on, the Notes; and/or
- (ii) the conversion of all, or a portion, of the principal amount of, or interest payable on, the Notes into shares or other securities or other obligations of the Issuer or another person,

including, in all cases, by means of a variation to the Conditions to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power by the Relevant Resolution Authority.

(b) Upon the Issuer becoming aware of the exercise of the Bail-in Power with respect to the Notes by the Relevant Resolution Authority, the Issuer shall, as soon as practicable, notify the Agent or cause the Agent to be notified and cause the Agent to notify the Noteholders as soon as practicable thereafter in accordance with Condition 21 ("Notices") of the Bail-in Power being exercised. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in paragraph (a).

(c) Upon the exercise of the Bail-in Power with respect to the Notes by the Relevant Resolution Authority, the Issuer shall be released (unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and directives of Finland and the European Union applicable to the Issuer) from its payment obligations (in relation to repayment of the principal amount, payment of interest and payment of any other amounts due) under the Notes, to the extent that any such amounts under the Notes have been subject to the exercise of the Bail-in Power by the Relevant Resolution Authority.

(d) No repayment of the principal amount of the Notes or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Bail-in Power) shall become due and payable after the exercise of any Bail-in Power by the Relevant Resolution Authority, unless such repayment or payment would be permitted to be made by the Issuer under the laws and directives then applicable to the Issuer.

- (e) The exercise of the Bail in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default and the Conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable in respect of the Notes, subject to any modification of the amount of interest payable to reflect the reduction of the principal amount, and any further modification of the Conditions that the Relevant Resolution Authority may decide in accordance with applicable laws and directives relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in Finland.
- (f) No Holders shall be entitled, after the exercise of the Bail-in Power, to set off any of their former rights and entitlements to repayment of the principal amount or payments of interest in respect of the Notes against any other obligations which they may owe to the Issuer at that time, to the extent that those rights and entitlements in respect of the Notes have been written-down, cancelled or converted by operation of the Bail-in Power.
- (g) The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default with respect to the Notes.
- (h) All expenses necessary for the procedures under this Condition 4.2, including, but not limited to, those incurred by the Issuer and the Agent shall be borne by the Issuer.

For the purposes of this Condition 4.2, a reference to “**Holders**” includes any person holding an interest in the Notes.

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## **5 Negative pledge**

As long as any of the Notes remains outstanding the Issuer will procure that no Indebtedness of the Issuer and no guarantee by it of any Indebtedness of any third party will be secured by any Charge upon any of its present or future property, assets or revenues unless the Issuer shall simultaneously with, or prior to, the creation of such Charge take any and all action necessary to procure that all amounts payable by it under the Notes are secured equally and rateably by such Charge, provided, however, that any security provided by the Issuer to the Guarantor as collateral for the amounts payable by the Issuer to the Guarantor in respect of guarantees issued by the Guarantor on behalf of the Issuer shall not be regarded as a Charge securing Indebtedness for the purposes of this Condition 5.

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## **6 Title and transfer of Notes**

### **6.1 Title**

Title to Notes passes when details of the transfer are entered in the Register.

### **6.2 Effect of entries in Register**

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal and (if applicable) interest and any other amount in accordance with the these Conditions; and
- (b) an entitlement to the other benefits given to Holders under these Conditions in respect of the relevant Note.

### **6.3 Register conclusive as to ownership**

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

#### **6.4 Non-recognition of interests**

Except as required by law, the Issuer and each Agent must treat the person whose name is entered in the Register as the holder of a Note as the absolute owner of that Note. This Condition applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

#### **6.5 Joint holders**

Where two or more persons are entered in the Register as the joint holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

#### **6.6 Transfers in whole**

Notes may be transferred in whole but not in part.

#### **6.7 Compliance with laws**

Notes may only be transferred if:

- (a) in the case of:
  - (i) Australian Domestic Notes:
    - (A) the offer or invitation giving rise to the transfer is for an aggregate consideration payable of at least A\$500,000 (disregarding moneys lent by the offeror or its associates) or does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
    - (B) the transfer is not a “retail client” as defined for the purposes of section 761G of the Corporations Act; or
  - (ii) New Zealand Domestic Notes, the Notes are transferred to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 of the NZ FMCA, which includes a person who is an “investment business”, “large”, or a “government agency”, in each case as defined in Schedule 1 to the NZ FMCA, provided (for the avoidance of doubt) that Notes may not be transferred to any “eligible investor” (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule; and
- (b) the transfer complies with other applicable Directives of the jurisdiction where the transfer takes place.

#### **6.8 Transfer procedures**

Interests in Notes held in a Clearing System are transferable only in accordance with the rules and regulations of the Clearing System.

In particular, where the Depository is the Holder and the Note is lodged in the NZClear System, the Operator may, in its absolute discretion and, to the extent not prohibited by the NZClear Regulations, instruct the New Zealand Registrar to transfer the Note to the person in whose Security Record that Note is recorded without any consent or action of such transferee and, as a consequence, remove that Note from the NZClear System.



Application for the transfer of Notes not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by both the transferor and the transferee.

#### **6.9 Registration of transfer**

Transfers will not be registered during the period from the Record Date until the Maturity Date.

#### **6.10 No charge on transfer**

Transfers will be registered without charge provided all applicable Taxes have been paid.

#### **6.11 Effect of transfer**

Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Notes and the transferee becomes so entitled in accordance with Condition 6.2 ("Effect of entries in Register").

#### **6.12 ASX Listing**

Notes listed on the ASX are not transferred through, or registered on, CHESS and are not "Approved Financial Products" (as defined for the purposes of CHESS).

#### **6.13 Austraclear or Depository as Holder**

If Austraclear or the Depository is recorded in the Register as the Holder, each person in whose Security Record a Note is recorded is deemed to acknowledge in favour of the Registrar, the Issuer and the Holder (and, if the Holder is the Depository, the Operator) that:

- (a) the Registrar's decision to act as the Registrar of that Note is not a recommendation or endorsement by the Registrar or the relevant Holder (or, if the Holder is the Depository, the Operator) in relation to that Note, but only indicates that the Registrar considers that the holding of the Notes is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and
- (b) the relevant Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

#### **6.14 Estates**

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

#### **6.15 Unincorporated associations**

A transfer of Notes to an unincorporated association is not permitted.

#### **6.16 Transfer of unidentified Notes**

Where the transferor executes a transfer of less than all Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Notes registered as having been transferred equals the aggregate principal amount of the Notes expressed to be transferred in the transfer.

### **Part 3 Interest**

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## **7 Fixed Rate Notes**

*This Condition 7 applies to the Notes only if the relevant Pricing Supplement states that it applies.*

### **7.1 Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date.

### **7.2 Fixed Coupon Amount**

Unless otherwise specified in the Pricing Supplement and except for:

- (a) the first Interest Period, if the Interest Commencement Date is not an Interest Payment Date; and
- (b) the last Interest Period, if the Maturity Date is not an Interest Payment Date,

the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

### **7.3 Calculation of interest payable**

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified is calculated by multiplying the Interest Rate for that interest period, the Outstanding Principal Amount of the Fixed Rate Note and the applicable Day Count Fraction.

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## **8 Floating Rate Notes**

*This Condition 8 applies to the Notes only if the relevant Pricing Supplement states that it applies.*

### **8.1 Interest on Floating Rate Notes**

Each Floating Rate Note bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the rate per annum (expressed as a percentage) equal to the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or

- (b) if no Interest Payment Date is specified in the relevant Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date.

## 8.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

## 8.3 Fallback Interest Rate

Unless otherwise specified in the relevant Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 8.2 ("Interest Rate determination"), the Interest Rate for that Interest Period will be the Interest Rate for the Floating Rate Notes during the immediately preceding Interest Period.

## 8.4 ISDA Determination

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Notes for each Interest Period is the sum of the Margin and the relevant ISDA Rate.

In this Condition:

- (a) "**ISDA Rate**" means for an Interest Period, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate Notes were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the relevant Pricing Supplement (and, if no Reset Date is specified, the relevant Reset Date will be the first date of the Interest Period); and
  - (ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and
- (b) "**Swap Transaction**", "**Floating Rate**", "**Calculation Agent**" (except references to "**Calculation Agent for the Floating Rate Notes**"), "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", "**Period End Date**", "**Spread**" and "**Floating Rate Day Count Fraction**" have the meanings given to those terms in the ISDA Definitions.

## 8.5 Screen Rate Determination

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition, "**Screen Rate**" means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the "**Screen Rate**" means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the

highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;

- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines there is an obvious error in that rate, the “**Screen Rate**” means:
  - (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date; or
  - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or
- (c) if the relevant Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method applies.

## 8.6 BBSW Rate Determination

If BBSW Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the BBSW Rate.

In this Condition:

“**BBSW Rate**” means, for an Interest Period:

- (a) in the case of Australian Domestic Notes, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the Reuters Screen BBSW Page at approximately 10:10am on the first day of that Interest Period; and
- (b) in the case of New Zealand Domestic Notes, the “FRA” Rate for Bills having a tenor closest to the Interest Period as displayed on the “BKBM” pages of the Reuters Monitor System (or its successor page) on the first day of that Interest Period.

However, if such rate does not appear on the Reuters Screen BBSW Page by 10.30am on that day (or, in the case of New Zealand Domestic Notes, as close as reasonably practicable to 10:45am (New Zealand time) on that day), or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, “**BBSW Rate**” means the rate determined by the Calculation Agent having regard to comparable indices then available. The rate calculated or determined by the Calculation Agent will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.); and

“**Bill**” has the meaning it has in the Bills of Exchange Act 1908 in respect of New Zealand Domestic Notes, and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

## 8.7 Interpolation

If the Pricing Supplement states that “Linear Interpolation” applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation

by reference to two ISDA Rates, Screen Rates, BBSW Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

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## **9 Structured Notes**

*This Condition 9 applies to the Notes only if the relevant Pricing Supplement states that it applies.*

### **9.1 Interest on Structured Notes**

Each interest-bearing Structured Note bears interest on its Outstanding Principal Amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the relevant Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

### **9.2 Interest Rate**

The Interest Rate payable in respect of a Structured Note for each Interest Period is determined in the manner specified in the relevant Pricing Supplement.

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## **10 General provisions applicable to interest**

### **10.1 Maximum and/or Minimum Interest Rate**

If the relevant Pricing Supplement specifies a “Maximum Interest Rate” and/or “Minimum Interest Rate” for any Interest Period then, the Interest Rate for the Interest Period must not be greater than the maximum and/or be less than the minimum so specified.

### **10.2 Calculation of Interest Rate and interest payable**

The Calculation Agent must, as soon as practicable after determining the Interest Rate in relation to each Interest Period for each Floating Rate Note and interest bearing Structured Note, calculate the amount of interest payable for the Interest Period in respect of the Outstanding Principal Amount of each Note.

Unless otherwise specified in the Pricing Supplement, the amount of interest payable must be calculated by multiplying the product of the Interest Rate for that Interest Period and the Outstanding Principal Amount of the Note by the applicable Day Count Fraction.

The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

### **10.3 Calculation of other amounts**

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

### **10.4 Notification of Interest Rate, interest payable and other items**

The Calculation Agent must notify the Issuer, the Registrar, the Issuing and Paying Agent, the Holders, any other Agent and any stock exchange or other relevant authority on which the relevant Notes are listed of:

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the relevant Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any relevant Interest Period or calculation period.

The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the relevant Interest Period.

The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period without prior notice but must notify the Issuer, the Registrar, the Issuing and Paying Agent, the Holders, any other Agent and each stock exchange or other relevant authority on which the relevant Notes are listed after doing so.

### **10.5 Determination is final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest error, final and binding on the Issuer, the Registrar, each Holder and each other Agent.

### **10.6 Rounding**

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or in the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.00005 per cent being rounded up to 0.0001 per cent);
- (b) all figures must be rounded to four decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded to the nearest cent (or lowest amount available as legal tender of the applicable currency if not Australian dollars or New Zealand dollars) (with halves being rounded up).

## Part 4 Redemption and purchase

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### 11 Redemption

#### 11.1 Scheduled redemption

Each Note is redeemable by the Issuer on the Maturity Date at its Final Redemption Amount unless:

- (a) the Note has been previously redeemed;
- (b) the Note has been purchased and cancelled; or
- (c) the relevant Pricing Supplement states that the Note has no fixed maturity date.

#### 11.2 Early redemption for taxation reasons

The Issuer may redeem all (but not some) of the Notes of a Series in whole (but not in part) before their Maturity Date at their Redemption Amount if the Issuer is required under Condition 14.2 (“Withholding tax”) to pay any Additional Amount in respect of a Note.

However, the Issuer may only do so if:

- (a) the Issuer has given at least 30 days’ (and no more than 60 days’) (or any other period specified in the Pricing Supplement) notice to the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the Notes are listed; and
- (b) before the Issuer gives the notice under paragraph (a), the Registrar has received:
  - (i) a certificate signed by two directors of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,
  - (iii) that the Issuer would be required under Condition 14.2 (“Withholding tax”) to pay any Additional Amount in respect of the Notes of that Series;
- (c) in the case of Fixed Rate Notes, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and
- (d) in the case of Floating Rate Notes and Structured Notes bearing a floating rate of interest:
  - (i) the proposed redemption date is an Interest Payment Date; and
  - (ii) no notice of redemption is given earlier than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

#### 11.3 Early redemption at the option of Holders (Holder put)

If the relevant Pricing Supplement states that a Holder may require the Issuer to redeem all or some of the Notes of a Series held by that Holder before their Maturity Date under this Condition, the Issuer must redeem the Notes specified by the Holder at their Redemption Amount if the following conditions are satisfied:

- (a) the amount of Notes to be redeemed is a multiple of their Denomination;
- (b) the Holder has given at least 30 days' (and no more than 60 days') (or any other period specified in the Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Specified Office of the Registrar together with any evidence the Registrar may require to establish title of the Holder to the relevant Note;
- (c) the notice referred to in paragraph (b) specifies a bank account in Australia to which the payment should be made or an address to where a cheque for payment should be sent;
- (d) the redemption date is an Early Redemption Date (Put) specified in the Pricing Supplement; and
- (e) any other condition specified in the relevant Pricing Supplement is satisfied.

A Holder may not require the Issuer to redeem any Note under this Condition 11.3 ("Early redemption at the option of the Holder (Holder put)") if the Issuer has given notice that it will redeem that Note under Condition 11.4 ("Early redemption at the option of the Issuer (Issuer call)").

#### **11.4 Early redemption at the option of the Issuer (Issuer call)**

If the relevant Pricing Supplement states that the Issuer may redeem all or some of the Notes of a Series before their Maturity Date under this Condition, the Issuer may redeem all of the Notes or the number of Notes specified in the Pricing Supplement at their Redemption Amount.

However, the Issuer may only do so if:

- (a) the amount of Notes to be redeemed is, or is a multiple of, their Denomination;
- (b) the Issuer has given at least 30 days' (and no more than 60 days') (or any other period specified in the relevant Pricing Supplement) notice to the Registrar, the Issuing and Paying Agent, the Holders and each other Agent and any stock exchange or other relevant authority on which the Notes are listed; and
- (c) the redemption date is an Early Redemption Date (Call) specified in the relevant Pricing Supplement; and
- (d) any other condition specified in the relevant Pricing Supplement is satisfied.

#### **11.5 Partial redemptions**

If only some of the Notes of a Series are to be redeemed under Condition 11.4 ("Early redemption at the option of the Issuer (Issuer call)"), the Notes to be redeemed must be specified in the notice and selected:

- (a) in a fair and reasonable manner; and
- (b) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the Notes are listed.

#### **11.6 Calculation of Redemption Amounts**

Unless specified otherwise in the relevant Pricing Supplement, the Redemption Amount payable on redemption at any time before the Maturity Date is an amount equal to:



- (a) for a Note (other than a Zero Coupon Note), the sum of the Outstanding Principal Amount and any interest accrued on it to (but excluding) the date fixed for redemption (and not otherwise payable on that date);
- (b) for a Zero Coupon Note, the sum of:
  - (i) the Issue Price; and
  - (ii) the amount resulting from the application of the Accrual Yield (compounded annually) to the Issue Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of the Day Count Fraction specified in the relevant Pricing Supplement.

#### **11.7 Effect of notice of redemption**

Any notice of redemption given under this Condition 11 is irrevocable.

#### **11.8 Purchase**

The Issuer may at any time purchase Notes in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all Holders alike. Notes purchased under this Condition 11.8 may be held, resold or cancelled at the discretion of the purchaser (and, if the Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or requirement of any stock exchange or relevant authority on which the Notes are listed.

## **Part 5 Payments**

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### **12 General provisions**

#### **12.1 Summary of payment provisions**

Payments in respect of Notes will be made in accordance with Condition 13 ("Payments").

#### **12.2 Payments subject to laws**

All payments are subject to all applicable fiscal laws or other Directives, but without prejudice to Condition 14 ("Taxation").

#### **12.3 Payments on business days**

Unless the relevant Pricing Supplement states otherwise, all payments in respect of any Note must be made in accordance with the Following Business Day Convention, and in each such case, the Holder is not entitled to any additional payment in respect of any delay in payment.

#### **12.4 Currency indemnity**

Unless otherwise specified in the Pricing Supplement, the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages, is Australian dollars.

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

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## **13 Payments**

### **13.1 Payment of principal**

Payments of principal in respect of a Note will be made to each person registered at 10.00 am on the payment date as the holder of a Note.

### **13.2 Payment of interest**

Payments of interest in respect of a Note will be made on the payment date to each person registered at the close of business on the Record Date as the holder of that Note.

### **13.3 Payments to accounts**

Payments in respect of Notes will be made:

- (a) if the Notes are held in the Austraclear System, by crediting on the payment date, the amount due to:
  - (i) the account of Austraclear (as the Holder) in Australia previously notified to the Issuer and the Registrar; or
  - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded in Australia as previously notified by Austraclear to the Issuer and the Registrar in accordance with the Austraclear Regulations;
- (b) if the Notes are held in the NZClear System, by crediting on the payment date, the amount due to:
  - (i) the account of the Depository (as the Holder) in the country of the currency in which the Note is denominated previously notified to the Issuer and the Registrar; or
  - (ii) if requested by the Operator, the accounts of the persons in whose Security Record a Note is recorded in the country of the currency in which the Note is denominated as previously notified by the Operator to the Issuer and the Registrar in accordance with the NZClear Regulations;
- (c) if the Notes are not held in a Clearing System, by crediting on the payment date, the amount then due under each Note to an account in the country of the currency in which the Note is denominated previously notified by the relevant Holder to the Issuer and the Registrar; and

- (d) if a payment in respect of the Note is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

#### **13.4 Payments by cheque**

If a Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Note will be made by cheque sent by prepaid post on the payment date, at the risk of the registered Holder, to the Holder (or to the first named joint holder of the Note) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Holder will be taken to have been received by the Holder on the payment date and no further amount will be payable by the Issuer in respect of the Notes as a result of the Holder not receiving payment on the due date.

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## **14 Taxation**

### **14.1 No set-off, counterclaim or deductions**

All amounts payable in respect of the Notes will be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes unless prohibited by law.

### **14.2 Withholding tax**

Subject to Condition 14.3 (“Withholding tax exemptions”), if a law of the Republic of Finland requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes such that the Holder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below) and remit the amount to the appropriate government agency; and
- (b) the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this Condition, each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

### **14.3 Withholding tax exemptions**

The Issuer is not required to pay any Additional Amount under Condition 14.2 (“Withholding tax”) in respect of Taxes which are payable:

- (a) otherwise than by withholding or deduction from payments of principal or interest made by the Issuer to the Holder (as, for example, by way of a withholding on interest payments);
- (b) by reason of the Holder having, or having had, some connection with the Republic of Finland and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are taken to be, derived from sources in, or are secured in, the Republic of Finland;
- (c) on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such directive; or

- (d) by reason of a change of law that becomes effective more than 30 days after the date the relevant payment becomes due or is duly provided for, whichever occurs later.

The Issuer is permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (“**FATCA withholding**”) as a result of a Holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Issuer, or either of their agents or any other party.

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## 15 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless presented for payment within 10 years (in the case of principal) and 5 years (in the case of interest and other amounts) from the date on which the payment first becomes due.

## Part 6 Events of Default

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### 16 Events of Default

#### 16.1 Events of Default

An Event of Default occurs in relation to a Series of Notes if:

- (a) the Issuer fails to pay any amount payable in respect of any Note for a period of more than 10 days from the due date to make payment thereof;
- (b) default is made by the Issuer or the Guarantor in the performance or observance of any other obligation, condition or provision binding on it under or in respect of any of such Notes or the Guarantee and such default continues for 90 days after written notice of such failure, requiring the Issuer or, as the case may be, the Guarantor to remedy the same, shall first have been given to the Issuer by the Holder of any such Note at the time outstanding;
- (c) any indebtedness for or in respect of borrowed money of the Issuer or the Guarantor becomes due and repayable prematurely by reason of an event of default (howsoever called) or the Issuer or the Guarantor fails to make any payment in respect of any indebtedness for or in respect of borrowed money on the due date for payment as extended by any applicable grace period or any security given by the Issuer or the Guarantor for any indebtedness for borrowed money becomes enforceable or if default is made by the Issuer or the Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any indebtedness for borrowed money of any other person in an aggregate amount of at least Euro 50,000,000 (or its equivalent in any other currency or currencies);
- (d) the Issuer or the Guarantor is adjudicated or found bankrupt or insolvent, or suspends payments, any order or action is made or taken by any competent court or administrative agency, or any resolution is passed by the Issuer or the Guarantor, to apply for judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or the Guarantor or a substantial part of their assets, or the Issuer or the Guarantor is wound up or dissolved; or

- (e) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect.

## **16.2 Consequences of an Event of Default**

Subject to Condition 16.3 (“Rectification”), if any Event of Default occurs and continues unremedied in relation to the Notes of any Series or any of them, then a Holder in that Series may declare by notice to the Issuer (with a copy to the Registrar) that each Note held by it is to be redeemed at its Redemption Amount (together with any accrued interest) in which case those amounts become immediately due and payable.

Any notice, including any notice declaring Notes due and payable, shall be made by means of a written declaration in the English language and delivered by hand or registered mail to the specified office of the Issuer.

## **16.3 Rectification**

A Holder’s right to declare Notes due and payable terminates if the situation giving cause to it has been cured before such right is exercised.

## **16.4 Notification**

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to ensure that the Registrar promptly notifies Holders, each other Agent and any stock exchange or other relevant authority on which the Notes are listed of the occurrence of the Event of Default.

# **Part 7 General**

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## **17 Agents**

### **17.1 Role of Agents**

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Holder, except that any funds received by the Issuing and Paying Agent in accordance with the relevant Agency Agreement will, pending their application in accordance with the relevant Agency Agreement, be held by it in a segregated account on trust for the Issuer.

### **17.2 Appointment and replacement of Agents**

The initial Issuing and Paying Agent and its initial Specified Office is specified in the relevant Pricing Supplement. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. Subject to Condition 17.3 (“Required Agents”), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

### **17.3 Required Agents**

The Issuer must:

- (a) at all times maintain a Registrar; and
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, at all times maintain a Calculation Agent.

## 17.4 Liability of Agents with respect to the Bail-in Power

Each Holder:

- (a) expressly waives any and all claims against each Agent for, and agrees not to initiate a suit against an Agent in respect of, and agrees that no Agent shall be liable for, any action that an Agent takes, or abstains from taking, in either case in accordance with an exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Notes;
- (b) acknowledges and agrees that no Agent shall be under any duty to determine, monitor or report on whether there has been an exercise of any Bail-in Power by the Relevant Resolution Authority or to determine or calculate, or verify any determination or calculation of, or relating to, an exercise of any Bail-in Power; and
- (c) shall be deemed to have authorised, directed and requested each Agent, as applicable, to take any and all necessary action to give effect to the exercise of any Bail-in Power by the Relevant Resolution Authority without any further action or direction on the part of a Noteholder.

For the purposes of this Condition 17.4, a reference to “**Holders**” includes any person holding an interest in the Notes.

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## 18 Meetings of Holders

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Holders of any Series to consider any matter affecting their interests, including any variation of these Conditions by Extraordinary Resolution.

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## 19 Variation

### 19.1 Variation with consent

Unless Condition 19.2 (“Variation without consent”) applies, any Condition may be varied by the Holders of the relevant Series by Extraordinary Resolution in accordance with the Meetings Provisions.

### 19.2 Variation without consent

Any Condition may be amended without the consent of the Holders if the amendment:

- (a) is made to correct a manifest error;
- (b) is of a formal, minor or technical nature or is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in each case, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Holders; or
- (c) only applies to Notes issued by it after the date of amendment.

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## 20 Further issues

The Issuer may from time to time, without the consent of the Holders issue further Notes having the same Conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes of that Series.

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## **21 Notices**

### **21.1 Notices to Holders**

All notices, certificates, consents, approvals, waivers and other communications in connection with a Note to the Holders must be in writing and may be:

- (a) sent by prepaid post (airmail if appropriate) or left at the address of the relevant Holder (as shown in the relevant Register at the close of business on the day which is three Business Days before the date of the relevant notice or communication);
- (b) given by an advertisement published in the Australian Financial Review or The Australian; or
- (c) if the Pricing Supplement for the Note specifies an additional or alternate newspaper, given by publication in that newspaper.

### **21.2 Notices to the Issuer and the Registrar**

All notices, and other communications to the Issuer and the Registrar must be in writing and may be sent by prepaid post or left at the address of the registered office of the Issuer or the Registrar or such other address as is notified to Holders from time to time.

### **21.3 When effective**

They take effect from the time they are taken to be received unless a later time is specified in them.

### **21.4 Receipt publication in newspaper**

If published in a newspaper, they are taken to be received on the first date that publication has been made in all the required newspapers.

### **21.5 Receipt - postal**

If sent by post, they are taken to be received on the fifth day after posting.

### **21.6 Non receipt of notice**

If there are two or more Holders, the non receipt of any notice by, or the accidental omission to give any notice to, a Holder does not invalidate the giving of that notice.

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## **22 Governing law, jurisdiction and service of process**

### **22.1 Governing law**

The Notes are governed by the law in force in New South Wales.

### **22.2 Jurisdiction**

The Issuer submits, and each Holder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales and their courts of appeal. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

### **22.3 Serving documents**

Without preventing any other method of service, any document in any action may be served on the Issuer or a Holder by being delivered or left at their registered office or principal place of business.

### **22.4 Appointment of process agent**

The Issuer appoints the Process Agent as its process agent to receive any document in any action in the courts of New South Wales and courts of appeal from them in connection with the Notes.

If for any reason the process agent ceases to be able to act as process agent, the Issuer must promptly appoint another person in the Commonwealth of Australia as process agent.

The Issuer agrees that the service of documents on the process agent or any other person appointed under this Condition be sufficient service on it.

### **22.5 Waiver of immunity**

To the fullest extent permitted by law, the Issuer unconditionally and irrevocably waives any immunity it may have in any legal action, suit or other proceeding relating to the Notes brought in the courts of New South Wales, Australia or the courts of appeal from them.



# Form of Pricing Supplement

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*The Pricing Supplement be issued in respect of each Tranche must be substantially in the form set out below.*

## Pricing Supplement

Series No.: [●]

Tranche No.: [●]



**Municipality Finance Plc (Kuntarahoitus Oyj)**

**A\$2,000,000,000 Medium Term Note Programme**

**guaranteed by The Municipal Guarantee Board (Kuntien takauskeskus)**

Issue of  
[A\$/NZ\$][●]  
[Title of Notes ("Notes")]

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] ("**Information Memorandum**") in relation to the above Programme) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with the Second Note Deed Poll dated 11 March 2008 made by the Issuer ("**Note Deed Poll**"). Terms defined in the Information Memorandum have the same meaning when used in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

- 1 **Issuer:** Municipality Finance Plc (Kuntarahoitus Oyj)
- 2 **Type of Issue:** [Insert "Syndicated Issue" or "Private Issue" as applicable]
- 3 **Purchasing Dealer(s):** [Insert name]

- 4 **Lead Manager(s):** [Insert name(s)]
- 5 **Registrar and Issuing and Paying Agent:** [Insert name and address]
- 6 **Calculation Agent:** [Insert name and address]
- 7 **If to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible (if not the Issue Date):** [Details of the existing Series and the date on which the Notes become fungible]
- 8 **Initial Outstanding Principal Amount of Tranche:** [Insert amount]
- 9 **Issue Date:** [Insert date]
- 10 **Maturity Date:** [Insert date] [In the case of an amortising Notes, insert the date on which the last instalment of principal is payable]
- 11 **Issue Price:** [Insert]% of the initial Outstanding Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues or atypical first coupon, if applicable)]
- 12 **Net Proceeds:** [Specify]
- 13 **Denomination:** [A\$/NZ\$][1,000] [*or insert other denomination*]
- 14 **Status of Notes:** Senior Notes
- 15 **Type of Notes:** [Insert either "Fixed Rate Notes", "Floating Rate Notes", "Zero Coupon Notes" or "Structured Notes"]
- 16 **If the Notes are interest-bearing, specify whether they are:** [Insert either "Applicable" or "Not applicable"]
- (a) **Fixed Rate:** [Yes/No]
- (b) **Floating Rate:** [Yes/No]
- (c) **Zero Coupon Notes:** [Yes/No]
- (d) **Structured Notes:** [Yes/No] (Specify whether Index Linked Notes, Instalment Notes or other Notes)
- 17 **If the Notes are Fixed Rate, specify:** [Insert either "Applicable" or "Not applicable"]
- (a) **Fixed Coupon Amount:** [Insert Fixed Coupon Amount]
- (b) **Interest Rate(s):** [Insert fixed rate]% per annum, payable [annually/semi-annually/quarterly/monthly/in arrear]
- (c) **Interest Commencement Date:** [Insert either a date or "Issue Date"]
- (d) **Interest Payment Dates:** [Insert dates]

- (e) **Business Day Convention:** [Insert either “Following Business Day Convention”, “Modified Following Business Day Convention”, “Preceding Business Day Convention” or “No Adjustment” or give details of other convention]
- (f) **Day Count Fraction:** [Insert applicable day count fraction] (if none specified, the Day Count Fraction will be Actual/365 (Fixed) (as defined in the Conditions of the Notes set out in the Information Memorandum))
- 18 If the Notes are Floating Rate, specify:** [Insert either “Applicable” or “Not applicable”]
- (a) **Interest Commencement Date:** [Insert either a date or “Issue Date”]
- (b) **Interest Rate:** [e.g. The aggregate of the 3 month BBSW Rate and the Margin. Also specify if BBSW Rate Determination, ISDA Determination or Screen Rate Determination applies]
- (c) **Interest Payment Dates or Specified Period:** [Insert dates]
- (d) **Business Day Convention:** [Insert either “Following Business Day Convention”, “Modified Following Business Day Convention”, “Preceding Business Day Convention”, or “No Adjustment” or give details of other convention]
- (e) **Margin:** [Insert]% per annum (state if positive or negative)
- (f) **Day Count Fraction:** [Insert applicable day count fraction] (if none specified, the Day Count Fraction will be Actual/365 (Fixed) (as defined in the Conditions of the Notes set out in the Information Memorandum))
- (g) **Minimum/Maximum Interest Rate:** [Insert “Not Applicable” or, alternatively, insert “[●]% per annum”]
- (h) **Linear Interpolation:** [Insert either “Not Applicable” or “Applicable”]
- [If ISDA Determination applies, specify]
- (h) **Floating Rate Option:** [●]
- (i) **Designated Maturity:** [●]
- (j) **Reset Date:** [●]
- [If Screen Rate Determination applies, specify]
- (k) **Relevant Financial Centre** [●]
- (l) **Relevant Screen Page:** [●]
- (m) **Relevant Time:** [●]

- (n) **Reference Rate:** [•]
- (o) **Reference Banks:** [If none are specified, the Reference Banks will be four major banks specified by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate]
- (p) **Interest Determination Date:** [•]
- 19 **Zero Coupon Note provisions:** [Insert either “Applicable” or “Not Applicable”. If not applicable, delete the remaining sub-paragraphs of this paragraph.]
- (a) **Accrual Yield:** [Insert]% per annum
- (b) **Day Count Fraction:** [Insert applicable day count fraction] (if none specified, the Day Count Fraction will be Actual/365 (Fixed) (as defined in the Conditions of the Notes set out in the Information Memorandum))
- (c) **Business Day Convention:** [Insert either “Following Business Day Convention”, “Modified Following Business Day Convention”, “Preceding Business Day Convention” or “No Adjustment” or give details of other convention]
- (d) **Any other formula/basis of determining amount payable:** [Insert if applicable]
- 20 **Structured Note provisions:** [Insert either “Applicable” or “Not Applicable”. If applicable, insert either “Index Linked Notes” or “Instalment Notes”. If not applicable, delete the remaining sub-paragraphs of this paragraph.]
- (a) **Provisions for determining Interest Rate:** [Insert]
- (b) **Interest Period(s):** [Insert]
- (c) **Interest Payment Dates:** [Insert]
- (d) **Minimum/Maximum Interest Rate:** [Insert “Not Applicable” or, alternatively, insert “[•]% per annum”]
- (e) **Day Count Fraction:** [Insert applicable day count fraction] (if none specified, the Day Count Fraction will be Actual/365 (Fixed) (as defined in the Conditions of the Notes set out in the Information Memorandum))
- (f) **Business Day Convention:** [Insert either “Following Business Day Convention”, “Modified Following Business Day Convention”, “Preceding Business Day Convention” or “No Adjustment” or give details of other convention]
- (g) **Interest Determination Date:** [Insert]

- (h) **Any other formula/basis of determining amount payable:** [Insert]
- 21 **Default Rate:** [Insert either "Interest Rate" or specify other rate]
- 22 **Final Redemption Amount:** [Insert either "Outstanding Principal Amount" or insert the amount or details for calculating the Final Redemption Amount]
- 23 **Early Redemption (Holder put):**
- (a) **Are the Notes redeemable before their Maturity Date at the option of the Holder under condition 10.3?:** [Insert either "Yes" or "No"]
- (b) **Early Redemption Date (Put):** [Insert dates]
- (c) **If Redemption Amount is not the Outstanding Principal Amount together with any interest accrued on the Notes, insert amount or full calculation provisions:** [Insert]
- (d) **Specify notice period for the exercise of the put option:** [Insert]
- (e) **Specify any relevant conditions to exercise of option:** [Insert]
- (f) **Specify whether redemption at Issuer's option is permitted in respect of some only of the Notes and, if so, any minimum aggregate principal amount and the means by which the Notes will be selected for redemption:** [Insert]
- 24 **Early Redemption (Issuer call):**
- (a) **Are the Notes redeemable before their Maturity Date at the option of the Issuer under condition 10.4?:** [Insert either "Yes" or "No"]
- (b) **Early Redemption Date (Call):** [Insert]
- (c) **If Redemption Amount is not the Outstanding Principal Amount together with any interest accrued on the Notes, insert amount or full calculation provisions:** [Insert]
- (d) **Specify notice period for the exercise of the call option:** [Insert]

- (e) **Specify any relevant conditions to exercise of option:** [Insert]
- (f) **Specify whether redemption at Issuer's option is permitted in respect of some only of the Notes and, if so, any minimum aggregate principal amount and the means by which the Notes will be selected for redemption:** [Insert]
- 25 **Redemption Amount for of Zero Coupon Notes:** [Specify any change to Condition 11.6(b) relating to the Redemption Amount for Zero Coupon Notes]
- 26 **Additional Business Centres:** [Insert "None" or specify any Additional Business Centres]
- 27 **Other relevant Conditions:** [Insert "None" or specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included.]
- 28 **ISIN:** [Insert]
- 29 **Common Code:** [Insert]
- 30 **Other selling restrictions:** [Specify any variation to the selling restrictions]
- 31 **Listing:** [Insert either "None", "ASX" or "NZDX" or specify details of some other stock exchange]
- 32 **Other amendments:** [Insert]
- 33 **Ratings:** [The Notes to be issued are expected to be rated [Insert] by Moody's and [Insert] by Standard & Poor's.

*A 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 may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.]*

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

**Signed for and on behalf of  
Municipality Finance Plc (Kuntarahoitus Oyj)**

By: .....

Name:

Duly authorised

# Clearing and Settlement

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## **Clearing and settlement in Australia and New Zealand**

Upon the issuance of a Note, the Issuer will (unless otherwise agreed with the Holder) procure that the Note is entered, in the case of an Australian Domestic Note, into the Austraclear System or, in the case of a New Zealand Domestic Note, into the NZClear System. Upon entry, Austraclear (in its capacity as the operator of the Austraclear System) will become the sole registered holder of Australian Domestic Notes and NZCSD (in its capacity as depository of the NZClear System) (together with Austraclear, a “**Registered Holder**”) will become the sole registered holder of New Zealand Domestic Notes. Members of the relevant Clearing System (“**Accountholders**”) may acquire rights against the applicable Registered Holder in relation to those Notes. If potential investors are not Accountholders, they may hold their interest in the relevant Notes through a nominee who is an Accountholder. All payments by the Issuer in respect of Notes entered in a Clearing System will be made directly to an account of the Registered Holder or as it directs in accordance with the rules and regulations of that Clearing System.

## **Secondary market sales**

Secondary market sales of Notes held in a Clearing System will be conducted in accordance with the rules and regulations of that Clearing System.

## **Relationship of Accountholders with the Registered Holder**

Each of the persons shown in the records of a Clearing System as having an interest in Notes issued by the Issuer must look solely to the Clearing System for such person’s share of each payment made by the Issuer to the Registered Holder and to any other rights arising under the Notes, subject to and in accordance with the rules and regulations of that Clearing System. Unless and until such Notes are uplifted from the Clearing System and registered in the name of an Accountholder, such person has no claim directly against the Issuer in respect of payments by the Issuer and such obligations of the Issuer will be discharged by payment to the Registered Holder (or as it directs) in respect of each amount so paid.

Where a Registered Holder is registered as the holder of Notes that are lodged in a Clearing System, the Registered Holder may, in its absolute discretion, instruct the relevant Registrar to transfer or “uplift” the Notes to the person in whose “Security Record” (as defined in the Austraclear Regulations) or “Security Account” (as defined in the NZClear System Rules) (as applicable) those Notes are recorded without any consent or action of such transferee and, as a consequence, remove those Notes from the Clearing System.

## **Austraclear System and Cross-Trading with Euroclear and Clearstream**

Subject to the rules of the relevant clearing and settlement system, Holders may elect to hold interests in Australian Domestic Notes (i) directly through the Austraclear System (ii) indirectly through Euroclear or Clearstream if they are participants in such systems or (iii) indirectly through organisations which are participants in any of such systems. The Issuer has been advised that entitlements in respect of holdings of interests in Australian Domestic Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear while entitlements in respect of holdings of interests in Australian Domestic Notes in Clearstream would be held in the Austraclear System by a nominee of Clearstream which in turn will hold such interests in customers’ securities accounts in the names of the Australian subcustodians on the books of Austraclear. The rights of a holder of interests in an Australian Domestic Note held through Euroclear or Clearstream are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, the terms and conditions of agreements between Euroclear and Clearstream and their respective nominee and the rules and regulations of the Austraclear System. Participants in any of such systems should contact the relevant clearing system(s) if they have any questions in relation to clearing, settlement and cross-market transfers and/or trading.



## **NZClear System and Cross-Trading with Euroclear and Clearstream**

Subject to the rules of the relevant clearing and settlement system, Holders may elect to hold interests in New Zealand Domestic Notes (i) directly through the NZClear System (ii) indirectly through Euroclear or Clearstream if they are participants in such systems or (iii) indirectly through organisations which are participants in any of such systems. The Issuer has been advised that Euroclear and Clearstream will hold interests on behalf of their participants through customers' securities accounts in their respective names on the books of their respective New Zealand subcustodians, which in turn will hold such interests in customers' securities accounts in the names of the New Zealand subcustodians on the books of NZCSD. The rights of a holder of interests in a New Zealand Domestic Note held through Euroclear or Clearstream are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, the terms and conditions of agreements between Euroclear and Clearstream and their respective nominee and the rules and regulations of the NZClear System. Participants in any of such systems should contact the relevant clearing system(s) if they have any questions in relation to clearing, settlement and cross-market transfers and/or trading.

# Subscription and Sale

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Pursuant to the Amended and Restated Dealer Agreement dated 11 March 2008 between the Issuer, the Guarantor and Westpac Banking Corporation as amended and supplemented from time to time (“**Dealer Agreement**”), the Issuer is entitled to appoint one or more Dealers as a dealer for a particular Tranche of Notes. The Notes will be offered by the Issuer through the Dealers. The Issuer will have the sole right to accept any such offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer has the right, in its discretion reasonably exercised, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part.

By its purchase and acceptance of Notes issued under the Dealer Agreement, each Dealer has agreed that it will, to the best of its knowledge, comply with all applicable laws in any jurisdiction in which it may subscribe for, offer, sell, or transfer Notes and it will not directly or indirectly offer, sell or transfer Notes or distribute any disclosure document, prospectus, circular, advertisement or other offering material relating to the Notes in any jurisdiction except under circumstances that will result in compliance with all applicable laws.

Neither the Issuer nor any of the Dealers have represented that any 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 have assumed any responsibility for facilitating such sale.

The following selling restrictions apply:

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## 1 **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) (“**Corporations Act**”) in relation to the Programme or the Notes has been lodged with the Australian Securities and Investments Commission (“**ASIC**”). Each Dealer has represented and agreed, and, each further Dealer appointed under the Programme will be required to represent and agree, that, unless the relevant Pricing Supplement (or another relevant supplement to the Information Memorandum) otherwise provides, in connection with the distribution of the Notes, it:

- (a) has not (directly or indirectly) offered or invited, and will not offer or invite, applications for the issue, sale or purchase of the 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, the Information Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or the equivalent in another currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not need disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act; and
- (iii) such action complies with all applicable laws, regulations and directives and does not require any document to be lodged with ASIC.

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## 2 New Zealand

Each Dealer has represented and agreed that:

- (a) it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes; and
- (b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Notes,

in each case in New Zealand other than to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 of the NZ FMCA, which includes a person who is an “investment business”, “large”, or a “government agency”, in each case as defined in Schedule 1 to the NZ FMCA, provided (for the avoidance of doubt) that the Notes may not be offered or sold to any “eligible investor” (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

In addition, each Holder is deemed to represent and agree that it will not distribute this Information Memorandum, the Pricing Supplement or any other offering materials or advertisement in relation to any offer of the New Zealand Domestic Notes in New Zealand other than to such persons as referred to above.

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## 3 The United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”).

Terms used in the following paragraphs have the meanings given to them by Regulation S under the Securities Act.

The Notes may not be offered, sold, delivered or transferred within the United States of America or to, or for the account or benefit of, U.S. Persons except in accordance with Regulation S or in transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes:

- (a) as part of their distribution at any time; and
- (b) otherwise until 40 days after completion of the distribution, as determined and certified by the Purchasing Dealer or, in the case of an issue of Notes on a syndicated basis, the Lead Manager,

within the United States of America or to, or for the account or benefit of, U.S. Persons.

Each Dealer who has purchased Notes must determine and certify to the Issuer and, in the case of an issue of Notes on a syndicated basis, the Lead Manager, when it has completed the distribution of those Notes. In the case of an issue of Notes on a syndicated basis, the Lead Manager must certify when the distribution of all the Notes has been completed.

Each Dealer has further represented and agreed and each further Dealer appointed under the Programme will be required to further represent and agree that it will have sent to each distributor to which it sells 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 of America or to, or for the account or benefit of, U.S. Persons.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which those Notes are a part, an offer or sale of Notes within the United States by any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

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#### 4 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 issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, prospectus or other offering material or other document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in 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" within the meaning of the Securities and Futures Ordinance (Cap. 571), as amended, of Hong Kong ("**SFO**") and any rules made under the SFO; and
- (b) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" within the meaning of the SFO; or (ii) in circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), as amended, of Hong Kong ("**CO**") or which do not constitute an offer within the meaning of the CO.

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#### 5 Singapore

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended ("**SFA**").

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that, unless an applicable Pricing Supplement (or another supplement to this Information Memorandum) otherwise provides, the Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes has not been and will not be circulated or distributed by it nor have the Notes been, nor will the Notes be, offered or sold by it, or be made the subject of an invitation for subscription or purchase by it, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the SFA;
- (b) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the 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 (as defined in section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), and in accordance with the conditions specified in Section 275 of the SFA;
- (b) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (c) where no consideration is, or will be, given for the transfer;
- (d) where the transfer is by operation of law;
- (e) as specified in Section 276(7) of the SFA; or
- (f) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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## 6 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 “**Financial Instruments and Exchange Act**”) and accordingly, 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 or sold and will not offer or sell, any Notes directly or indirectly in Japan or to, or for the 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 benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws and ministerial guidelines of Japan.

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## 7 The United Kingdom

In relation to each Tranche of Notes, each Dealer subscribing for or purchasing such Notes has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 such Notes in circumstances in which section 21(1) of the FSMA does not or would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) in relation to such Notes with a maturity of less than one year:

- (i) it is a person whose ordinary activities involve 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.

# Taxation

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## 1 Australian Taxation

*The following is a summary of the Australian taxation treatment at the date of this Information Memorandum, of payments on medium term notes (“Notes”) to be issued by the Issuer under the Programme and certain other matters. It is a general guide and should be treated with appropriate caution. Prospective holders of Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.*

### 1 Interest withholding tax

So long as the Issuer continues to be a non-resident of Australia and the Notes issued by it are not attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under Notes issued by it should not be subject to Australian interest withholding tax.

### 2 Income Tax

Australian resident Holders, and non-resident Holders who hold their Notes in the course of carrying on a business through an Australian permanent establishment, will be required to include any interest derived in respect of the Notes in their assessable income.

Depending upon the terms of the Notes, such Holders may also be required to include in their assessable income, or may be allowed a deduction in respect of, any profit or loss (respectively) on sale or redemption of the Notes.

Holders who are residents of countries with which Australia has a Double Taxation Agreement and do not hold their Notes in the course of carrying on business through an Australian permanent establishment should not be subject to tax in Australia in respect of interest received under the Notes or on any gain or loss made on the disposal of the Notes. Holders who are residents of countries with which Australia does not have a Double Taxation Agreement may be subject to tax in Australia on an amount of profit on a sale or redemption of the Notes where the Notes are regarded as having an Australian source.

### 3 Other tax matters

Under Australian laws as presently in effect:

- (a) death duties - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (b) stamp duty and other taxes - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes;
- (c) other withholding taxes on payments in respect of Notes - the tax file number requirements of Part VA of the Income Tax Assessment Act 1936 and section 12-140 of the Taxation Administration Act 1953 of Australia (“**Taxation Administration Act**”) should not apply in connection with Notes issued by the Issuer provided the Issuer continues to be a non-resident of Australia and does not carry on business at or through a permanent establishment in Australia;
- (d) supply withholding tax - payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of the Taxation Administration Act; and

- (e) goods and services tax (GST) - neither the issue nor receipt of the Notes should give rise to a liability for GST in Australia on the basis that the supply of Notes should comprise either an input taxed financial supply or a supply which is not subject to GST. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia.

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## 2 New Zealand Taxation

*The following is a summary of the New Zealand withholding tax treatment at the date of this Information Memorandum of payments of principal and interest on Notes. This summary addresses the New Zealand withholding tax treatment of payments of principal and interest to holders of Notes. It does not address all New Zealand tax issues (including income tax issues) which may be relevant to holders of Notes. Prospective holders of a Note (including prospective holders of a beneficial interest in a Note) should seek independent advice on the New Zealand tax implications applicable to them.*

To the extent that a beneficial interest in a Note is held by a New Zealand resident, payments of principal and/or interest by the Issuer should not be subject to New Zealand resident withholding tax, provided that:

- (a) the Issuer (and any other related entity through which the payments of principal and/or interest are made) continues to be a non-New Zealand resident, and does not carry on a taxable activity in New Zealand through a fixed establishment in New Zealand; and
- (b) if Computershare Investor Services Limited (or any other third party) receives principal and/or interest payments on behalf of or as agent of the Holder of that beneficial interest, the Holder has provided Computershare Investor Services Limited (or the other third party) with a copy of a valid certificate of exemption from New Zealand resident withholding tax prior to the payment being made, and that certificate of exemption remains valid at the time the payment is made.

To the extent that a beneficial interest in a Note is held by a non-New Zealand resident, payments of principal and/or interest on that Note by the Issuer should not be subject to New Zealand withholding tax.

*Important Definitions:* For the purposes of these New Zealand withholding tax considerations a “New Zealand resident” is a person who is resident in New Zealand for New Zealand income tax purposes or carrying on business in New Zealand through a fixed establishment in New Zealand, and a “non-New Zealand resident” is a person who is neither resident in New Zealand for New Zealand income tax purposes nor carrying on business in New Zealand through a fixed establishment in New Zealand.

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## 3 Republic of Finland Taxation

*The following summary describes the principal Finnish tax consequences of the acquisition, holding, redemption and disposal of Notes. This summary does not purport to be a comprehensive description of all Finnish tax considerations that may be relevant to a decision to acquire, to hold, and dispose of the Notes. Each prospective Holder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Finnish taxes below is included for general information purposes only.*

*This summary is based on Finnish tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Information Memorandum, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.*

Under Finnish laws presently in effect:

- (a) all payments by the Issuer in respect of the Notes may be made free and clear of and without withholding or deduction for or on account of any taxes imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland (“**Finland**”);



- (b) no stamp, registration or other taxes, duties, assessments or charges of whatsoever nature are payable by any Holder of Notes pursuant to the laws of Finland on or in connection with the issue of the Notes or the performance of the obligations under, or the enforcement of the Notes;
- (c) Holders of Notes who are neither resident in, nor engaged in trade or business through a permanent establishment in Finland, will not be subject to taxes or duties in Finland on gains realised on the disposal or redemption of Notes;
- (d) Notes held by persons not domiciled in Finland at the time of their death will not be subject to inheritance or other similar taxes in Finland provided that heir is not domiciled in Finland; and
- (e) Holders of Notes will not be deemed to be resident, domiciled or carrying on business in Finland by reason only of holding such Notes.

# Form of Guarantee

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## General terms

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### 1 Interpretation

#### 1.1 Incorporation of other defined terms

Terms which are defined in the Conditions have the same meaning when used in this deed unless the same term is also defined in this deed, in which case the definition in this deed prevails.

#### 1.2 Definitions

In this deed the following expressions have the following meanings, unless otherwise specified:

**Accountable Taxes** means any Taxes imposed by a Relevant Country other than those which would not be required to be deducted by the Guarantor if a Holder provided the Guarantor with any of its name, address, registration number or similar details or any relevant tax exemption or similar details.

**Arranger** means Royal Bank of Canada (ABN 86 076 940 880).

**Bills** has the same meaning it has in the Bills of Exchange Act 1909 of Australia in respect of Australian Domestic Notes, and the Bills of Exchange Act 1908 (NZ) in respect of New Zealand Domestic Notes.

**Conditions** means, in relation to a Note, the terms and conditions applicable to that Note set out in Information Memorandum as supplemented, amended or replaced by the relevant Pricing Supplement applicable to that Note.

**Costs** includes charges and expenses, including those incurred in connection with advisers.

**Dealer** has the meaning given to that term in the Dealer Agreement.

**Dealer Agreement** means the agreement entitled "Amended and Restated Dealer Agreement" dated 11 March 2008 between the Issuer and the Dealers.

**Details** means the section of this deed headed "Details".

**Guaranteed Money** means all amounts which at any time for any reason or circumstance in connection with or under any Programme Document, whether at law, in equity, under statute or otherwise, are payable, are owing but not currently payable, are contingently owing, or remain unpaid, by the Issuer to a Holder, including but not limited to any and all principal, interest and all other amounts payable by the Issuer on the Notes.

**Guarantor** means the person so described in the Details.

**Information Memorandum** means any information memorandum (and any supplements to it) prepared on behalf of, and approved by, the Issuer in connection with the issue of Notes and includes:

- (a) all documents incorporated by reference in it; and
- (b) any other information (including a Pricing Supplement) approved by the Issuer from time to time.

**Issuer** means Municipality Finance Plc (Kuntarahoitus Oyj).

**Overdue Rate** means:

- (a) where an overdue rate is specified in the terms and conditions of a Note, that rate; or
- (b) in any other case:
  - (i) in respect of Australian Domestic Notes:
    - (A) the rate, expressed as a yield per cent per annum (rounded upwards if necessary to two decimal places) calculated by the Arranger as the average of the buying rates on the BBSW reference rate page of the Reuters monitor system (or any page which replaces that page) by about 10.30 am (Sydney time) on the first day of that period, for Bills having a tenor of equal or as near as possible to the period for which the interest is payable eliminating from the calculation the highest rate so published if one such rate is higher than all the other such rates, and the lowest rate so published if one such rate is lower than all the other such rates; or
    - (B) if less than three such rates are so published at that time on such a day the buying rate available to the Arranger at about 11.00 am (Sydney time) on that day, as conclusively determined in good faith by the Arranger, for bank accepted Bills having a tenor equal to, or as near as possible to, the period for which interest is payable; or
  - (ii) in respect of New Zealand Domestic Notes:
    - (A) the rate, expressed as a yield per cent per annum (rounded upwards if necessary to two decimal places) calculated by the Arranger as the average of the bid settlement rates on the "BKBM" page of the Reuters monitor system (or any page which replaces that page) at or about 10:45am (New Zealand time) on the first day of that period, for Bills having a tenor of equal or as near as possible to the period for which the interest is payable eliminating from the calculation the highest rate so published if one such rate is higher than all the other such rates, and the lowest rate so published if one such rate is lower than all the other such rates; or
    - (B) if less than three such rates are so published at that time on such a day the buying rate available to the Arranger at about 11.00 am (New Zealand time) on that day, as conclusively determined in good faith by the Arranger, for bank accepted Bills having a tenor equal to, or as near as possible to, the period for which interest is payable.

**Pricing Supplement** has the meaning given to that term in the Conditions.

**Process Agent** means KPMG, 10 Shelley Street, Sydney, NSW, 2000 (reference Andrew Dickson).

**Programme Documents** has the meaning given to that term in the Dealer Agreement.

**Relevant Country** means any country, or political sub-division of one or more countries, or any federation or association of countries in which the Guarantor is either incorporated or is

resident or domiciled for any tax purpose or in which the Guarantor carries on business or owns or leases property or from which, or through which, any payment under this guarantee and indemnity is made.

**Taxes** means taxes, levies, imposts, charges and duties imposed by any authority (including stamp and transaction duties) together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of a Holder.

### 1.3 References to certain general terms

Unless the contrary intention appears, a reference in this deed to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) a document includes any variation or replacement of it;
- (c) “law” means common law, principles of equity and laws made by any parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (d) “**Australian dollars**”, “**AUD**” or “**A\$**” is a reference to the lawful currency of Australia;
- (e) “**New Zealand dollars**”, “**NZD**” or “**NZ\$**” is a reference to the lawful currency of New Zealand;
- (f) “**euro**” is a reference to the single currency adopted by those states participating in the European Monetary Union from time to time under the Treaty of the European Union;
- (g) a time of day is a reference to Sydney time unless otherwise specified;
- (h) the word “**person**” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (i) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (k) anything (including any amount) is a reference to the whole and each part of it; and
- (l) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

### 1.4 Number

The singular includes the plural and vice versa.

### 1.5 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed.

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## **2 Rights and obligations of Holders**

### **2.1 Notes to which this deed applies**

This deed applies to all Notes issued on or after the date of this deed that are not additional Tranches of existing Series of Notes.

### **2.2 Benefit and entitlement**

This deed is executed as a deed poll. Each Holder has the benefit of, and is entitled to enforce, this deed even though it is not a party to, or is not in existence at the time of execution and delivery of, this deed.

### **2.3 Rights independent**

Each Holder may enforce its rights under this deed independently from each other Holder.

### **2.4 Holders bound**

Each Holder and any person claiming through or under a Holder is bound by this deed. The Notes will be issued on the basis that each Holder is taken to have notice of, and be bound by, all the provisions of this deed and the terms and conditions applicable to the relevant Notes.

### **2.5 Directions to hold Deed Poll**

Each Holder is taken to have irrevocably:

- (a) instructed the Guarantor that this deed is to be delivered to and held by the Australian Registrar; and
- (b) appointed and authorised the Australian Registrar to hold this deed in New South Wales, Australia (or such other place as the Issuer and the Australian Registrar may agree) on behalf of the Holder.

### **2.6 Copies of documents to Holders**

Within 14 days of the Guarantor receiving a written request from a Holder to do so, the Guarantor must ensure that the Australian Registrar gives to the Holder a certified copy of any document held in accordance with clause 2.5 ("Directions to hold Deed Poll") if the Holder requires the copy in connection with any legal proceeding, claim or action brought by the Holder in relation to its rights under a Note or this deed.

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## **3 Guarantee**

### **3.1 Guarantee**

The Guarantor irrevocably and unconditionally guarantees to each Holder the due and punctual payment of the Guaranteed Money. If the Issuer fails for any reason to punctually pay any Guaranteed Money, the Guarantor agrees to cause each such payment to be made as if the Guarantor instead of the Issuer were expressed to be the primary obligor under the relevant Programme Documents (without the need for demand), and not merely as surety (but without affecting the Issuer's obligations) to the intent that Holders receive at the same time and in the same amounts in respect of Guaranteed Money as would have been receivable had the payments been made by the Issuer.

### **3.2 Agency Agreement**

Without limiting clause 3.1 (“Guarantee”), if the Issuer fails to pay an amount to the Agent in accordance with the relevant Agency Agreement, the Guarantor will immediately make such payment to the Agent on or before 12 noon (Sydney time in respect of Australian Domestic Notes, or New Zealand Time in respect of New Zealand Domestic Notes) on the day on which the Issuer is obliged to make that payment pursuant to the relevant Agency Agreement.

### **3.3 Status**

The obligations of the Guarantor under this deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank pari passu and (except for liabilities mandatorily preferred by law) equally with all other unsecured and unsubordinated obligations of that Guarantor, from time to time outstanding.

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## **4 Undertaking to comply**

The Guarantor undertakes to comply with its obligations under the Programme Documents.

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## **5 Indemnity**

### **5.1 Indemnity**

The Guarantor (as primary obligor) unconditionally indemnifies each Holder against, and must pay each Holder on demand the amount of, any loss that the Holder may suffer because the Guaranteed Money is not recoverable from the Issuer for any reason whatsoever. However, the loss so indemnified and to be paid to each such Holder will not exceed the amount of such Guaranteed Money.

### **5.2 Continuing effect**

If any payment received by any Holder in relation to the Programme Documents (whether on the subsequent bankruptcy, insolvency or corporate reorganisation of the Issuer or, without limitation, on any other event) is avoided or set aside for any reason, such payment does not discharge or diminish the liability of the Guarantor and this deed continues to apply as if such payment had at all times remained owing by the Issuer, and the Guarantor unconditionally and irrevocably indemnifies each Holder on demand in respect of such payment.

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## **6 Interest on overdue amounts**

The Guarantor agrees to pay interest on any amount payable under this deed from when the amount becomes due for payment until it is paid in full. Accumulated interest is payable at the end of each calendar month. The interest rate to be applied to each daily balance is the higher of:

- (a) the Overdue Rate on the date that the money becomes due and payable but is unpaid and each date falling 30 days after that date; and
- (b) the rate fixed or payable under a judgment.

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## **7 Waiver of rights**

The Guarantor waives any right it has of first requiring any Holder to commence proceedings or enforce any other right against the Issuer or any other person before claiming under this deed.

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## **8 Continuing security**

This deed is a continuing security and is not discharged by any one payment, by any settlement of account or other matter or thing. It extends to all Guaranteed Money.

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## **9 Guarantee not affected**

The liabilities of the Guarantor under this deed as a guarantor, indemnifier or principal debtor and the rights of each Holder under this deed are not affected by anything which might otherwise affect them at law or in equity including, but not limited to, one or more of the following:

- (a) a Holder granting time or other indulgence to, compounding or compromising with or releasing the Issuer;
- (b) acquiescence, delay, acts, omissions or mistakes on the part of a Holder;
- (c) any novation of a right of a Holder;
- (d) any variation of a right of a Holder;
- (e) the liquidation of, or analogous proceedings in relation to, any person;
- (f) the failure of any Holder to notify the Guarantor of any default under a Programme Document; or
- (g) the invalidity or unenforceability of an obligation or liability of a person other than a Guarantor.

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## **10 Suspension of Guarantor's rights**

The Guarantor may not, without the consent of the Holders:

- (a) raise a set-off or counterclaim available to it or the Issuer against a Holder in reduction of its liability under this deed;
- (b) claim to be entitled by way of contribution, indemnity, subrogation, marshalling or otherwise to the benefit of any security or guarantee held by a Holder in connection with the Programme Documents; or
- (c) prove in competition with the Holders if a liquidator, provisional liquidator, receiver, administrator or trustee in bankruptcy is appointed in respect of the Issuer or the Issuer is otherwise unable to pay its debts when they fall due,

until all money payable to the Holders in connection with the Programme Documents is paid.

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## **11 Reinstatement of guarantee**

If a claim that a payment or transfer to a Holder in connection with a Programme Document or this deed is void or voidable (including, but not limited to, a claim under laws relating to liquidation, administration, insolvency or protection of creditors) is upheld, conceded or compromised then that Holder is entitled immediately as against the Guarantor to the rights to which it would have been entitled under this deed if the payment or transfer had not occurred.

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## **12 Costs**

The Guarantor agrees to pay or reimburse each Holder on demand for:

- (a) the Holders' properly incurred costs, charges and expenses in making, enforcing and doing anything in connection with this deed including, but not limited to, legal costs and expenses on a full indemnity basis; and
- (b) all stamp duties, fees, taxes and charges which are payable in connection with this deed or a payment, receipt or other transaction contemplated by it.

Money paid to a Holder by the Guarantor must be applied first against payment of costs, charges and expenses under this clause then against other obligations under this deed.

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## **13 Notices**

### **13.1 Notices to Holders**

All notices, certificates, consents, approvals, waivers and other communications in connection with this deed to the Holders must be in writing and may be:

- (a) sent by prepaid post (airmail if appropriate) or left at the address of the relevant Holder (as shown in the relevant Register at the close of business on the day which is three Business Days before the date of the relevant notice or communication);
- (b) given by an advertisement published in:
  - (i) the Australian Financial Review or The Australian (in respect of Australian Domestic Notes); or
  - (ii) the New Zealand Herald or any other newspaper circulating in New Zealand generally (in respect of New Zealand Domestic Notes); or
- (c) if the Pricing Supplement for the Note specifies an additional or alternate newspaper, given by publication in that newspaper.

### **13.2 Notices to the Guarantor and the Registrar**

All notices, and other communications to the Guarantor and the Registrar must be in writing and may be sent by prepaid post or left at the address of the registered office of the Guarantor or the Registrar or such other address as is notified to Holders from time to time.

### **13.3 When effective**

They take effect from the time they are taken to be received unless a later time is specified in them.

### **13.4 Receipt publication in newspaper**

If published in a newspaper, they are taken to be received on the first date that publication has been made in all the required newspapers.

### **13.5 Receipt - postal**

If sent by post, they are taken to be received on the fifth day after posting.



### **13.6 Non receipt of notice**

If there are two or more Holders, the non receipt of any notice by, or the accidental omission to give any notice to, a Holder does not invalidate the giving of that notice.

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## **14 Payments**

### **14.1 Manner of payment**

The Guarantor agrees to make payments under this deed:

- (a) in full without set-off or counterclaim and without any deduction in respect of Taxes unless prohibited by law; and
- (b) if the payment relates to the Guaranteed Money, in the currency in which the payment is due, and otherwise in Australian dollars in immediately available funds.

### **14.2 Currency of payment**

The Guarantor waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual Costs in connection with the conversion; and
- (b) the Guarantor satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

### **14.3 Withholding tax**

If a law requires the Guarantor to deduct an amount in respect of Taxes from a payment under any Transaction Document such that a Holder would not actually receive on the due date the full amount provided for under the Transaction Document, then:

- (a) the Guarantor agrees to deduct the amount for the Taxes (and any further deduction applicable to any further payment due under clause 14.3(c) below); and
- (b) the Guarantor agrees to pay the amount deducted to the relevant authority in accordance with applicable law and give the original receipts to the Holder; and
- (c) if the amount deducted is in respect of Accountable Taxes, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause, a Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions had been required.

The Guarantor is permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (“**FATCA withholding**”) as a result of a Holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA withholding. The Guarantor will have no obligation to pay

additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Guarantor, or either of their agents or any other party.

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## **15 Miscellaneous**

### **15.1 Certificates**

A Holder may give the Guarantor a certificate about an amount payable in connection with this deed. The certificate is sufficient evidence of the amount or matter, unless it is proved to be incorrect.

### **15.2 Discretion in exercising rights**

A Holder may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this deed expressly states otherwise.

### **15.3 Partial exercising of rights**

If a Holder does not exercise a right or remedy fully or at a given time, the Holder may still exercise it later.

### **15.4 Variation and waiver**

Unless this deed expressly states otherwise, a provision of this deed, or right created under it, may not be waived or varied except in writing signed by the party or parties to be bound.

### **15.5 Supervening legislation**

Any present or future legislation which operates to vary the obligations of the Guarantor in connection with this deed with the result that a Holder's rights, powers or remedies are adversely affected (including by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

### **15.6 Remedies cumulative**

A Holder's rights and remedies under this deed are in addition to other rights and remedies given by law independently of this deed.

### **15.7 Indemnities**

The indemnities in this deed are continuing obligations, independent of the Guarantor's other obligations under this deed and continue after this deed ends. It is not necessary for a Holder to incur expense or make payment before enforcing a right of indemnity under this deed. Nothing in this clause 15.7 entitles any Holder to claim by way of indemnity an amount in excess of what it would be entitled to claim in accordance with clause 5 ("Indemnity").

### **15.8 Further steps**

The Guarantor agrees to do anything the Holder reasonably asks (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed):

- (a) to bind the Guarantor and any other person intended to be bound under this deed; or
- (b) to show whether the Guarantor is complying with this deed.

### **15.9 Governing law**

This deed is governed by the law in force in the place specified in the Details. The Guarantor submits to the non-exclusive jurisdiction of the courts of that place.

### **15.10 Assignment**

The Guarantor is not entitled to assign or transfer all or any of its rights, benefits and obligations under this deed. Each Holder is entitled to assign all or any of its rights and benefits under this deed.

### **15.11 Appointment of process agent**

The Guarantor appoints the Process Agent as its process agent to receive any document in any action in the courts of New South Wales and the courts of appeal from them in connection with this deed.

If for any reason the Process Agent ceases to be able to act as process agent, the Guarantor must promptly appoint another person in the Commonwealth of Australia as process agent.

The Guarantor agrees that the service of documents on the Process Agent or any other person appointed under this clause will be sufficient service on it.

# Directory

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## Issuer

### **Municipality Finance Plc (Kuntarahoitus Oyj)**

Jaakonkatu 3A  
P.O. Box 744  
FIN-00101 Helsinki  
Finland

Telephone: + 358 9 6803 5666  
Facsimile: + 358 9 6803 5669  
Attention: Legal Department

## Guarantor

### **The Municipal Guarantee Board (Kuntien takauskeskus)**

Yrjönkatu 11 A 1  
FIN-00120 Helsinki  
Finland

Telephone: + 358 9 622 728 80  
Facsimile: + 358 9 622 728 82  
Attention: Managing Director

## **Australian Registrar and Issuing and Paying Agent**

### **Austraclear Services Limited**

(ABN 28 003 284 419)  
20 Bridge Street  
Sydney NSW 2000  
Australia

Telephone: + 61 2 8298 8476  
Facsimile: + 61 2 9256 0456  
Attention: Manager, Clearing and Settlement Operations

## **New Zealand Registrar and Issuing and Paying Agent**

### **Computershare Investor Services Limited**

Level 2, 159 Hurstmere Road  
Takapuna  
Auckland City 0622  
New Zealand

Telephone: + 649 4888 777  
Email: enquiry@computershare.co.nz  
Attention: Manager Fixed Interest Registry

## **Arranger and Dealer**

### **Royal Bank of Canada**

(ABN 86 076 940 880 and AFSL 246521)

Level 47

2 Park Street

Sydney NSW 2000

Australia

Telephone: + 61 2 9033 3033

Facsimile: + 61 2 9264 2855

Attention: Head of Debt Capital Markets

## **Dealers**

### **Citigroup Global Markets Australia Pty Limited**

(ABN 64 003 114 832 and AFSL 240992)

Level 23, Citigroup Centre

2 Park Street

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Australia

Telephone: + 612 8225 6390

Facsimile: + 612 8225 5201

Attention: Head of AUD Syndicate

### **Deutsche Bank AG, Sydney Branch**

(ABN 13 064 165 162 and AFSL 238153)

Level 16

Deutsche Bank Place

Corner of Phillip and Hunter Streets

Sydney NSW 2000

Australia

Telephone: + 61 2 8258 2657

Facsimile: + 61 2 8258 2220

Attention: Head of Debt Capital Markets

### **The Toronto-Dominion Bank**

60 Threadneedle Street

London EC2R 8AP

United Kingdom

Telephone: + 44 20 7628 2262

Facsimile: + 44 20 7628 1054

Attention: Head of Syndicate and Origination