

**EXECUTION VERSION**

**Pricing Supplement dated 12 April 2022**



**NBN CO LIMITED**

*(ACN 136 533 741)*

Issue of A\$800,000,000 4.20% Medium Term Notes due 14 April 2027  
under the

**A\$10,000,000,000  
Medium Term Note Programme**

THE NOTES ARE NOT OBLIGATIONS OF ANY GOVERNMENT OR GOVERNMENTAL AGENCY AND IN PARTICULAR ARE NOT GUARANTEED BY THE COMMONWEALTH OF AUSTRALIA.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 AS AMENDED (THE **SECURITIES ACT**) AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, US PERSONS AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT EXCEPT PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED ONLY IN OFFSHORE TRANSACTIONS TO NON-US PERSONS IN RELIANCE UPON REGULATIONS. THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AS DESCRIBED IN THE INFORMATION MEMORANDUM.

In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

None of the Information Memorandum or any other disclosure document in relation to the Notes has been, and nor will any such document be, lodged with the Australian Securities and Investments Commission and no such document is, and nor does it purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Corporations Act 2001 of Australia (the **Corporations Act**). The Information Memorandum is not intended to be used in connection with any offer for which such disclosure is required and such document does not contain all the information that would be required by those provisions if they applied. The Information Memorandum is not to be provided to any 'retail client' as defined in section 761G of the Corporations Act and such document does not take into account the individual objectives, financial situation or needs of any prospective investor. In addition, no other securities regulatory authority has reviewed information contained in the Information Memorandum in connection with the Notes.

**PRIIPs Regulation – Prohibition of sales to European Economic Area retail investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (**Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**Prohibition of sales to UK retail investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Information Memorandum dated 16 November 2020 (the **Information Memorandum**). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Information Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum. The Information Memorandum, together with this Pricing Supplement and all documents incorporated by reference therein, is available for viewing during normal office hours at the specified offices of the Issuer and the Issuing and Paying Agent, as set out at the end of the Information Memorandum.

Notwithstanding anything to the contrary, in the section of the Information Memorandum titled “NBN Co Limited”, the paragraph starting “Before the Issuer was formed, Telstra and Optus were the two leading owners of telecommunications networks capable of delivering fixed line internet services in parts of Australia” is removed and replaced with the following:

“Before the Issuer was formed, Telstra and Optus were the two leading owners of telecommunications networks capable of delivering fixed line internet services in parts of Australia. In 2011, the Issuer entered into commercial agreements with these two retail service providers to facilitate the migration of most of their residential fixed-line customers over to the NBN as it became available. Under these agreements, which were amended in 2014, the Issuer pays a fee to Telstra for each customer disconnected from existing Telstra fixed-line services and to Optus per customer migrated. The Issuer has also agreed to progressively take ownership of all of Telstra’s HFC network as well as Telstra’s existing copper network where it is used in the NBN, while Optus agreed to transfer the parts of its HFC network that the Issuer elects to incorporate into the NBN and to decommission its remaining HFC network. As a result of these agreements, the NBN is the main fixed line broadband internet infrastructure available for most of Australia.”

1.	(a)	Issuer:	NBN Co Limited
2.	(a)	Series Number:	6
	(b)	Tranche Number:	1
	(c)	Date on which the Notes become fungible:	Not Applicable
3.		Specified Currency or Currencies:	Australian Dollars (A\$)
4.		Aggregate Nominal Amount:	A\$800,000,000
	(a)	Series:	A\$800,000,000
	(b)	Tranche:	A\$800,000,000
5.		Issue Price:	99.804 per cent. of the Aggregate Nominal Amount
6.	(a)	Specified Denominations:	A\$10,000, provided that any Notes issued or transferred in or into Australia must be issued or transferred to each relevant investor in minimum parcels of A\$500,000 (disregarding moneys lent by the transferor or its associates to the transferee) or do not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act (or its equivalent in another currency)
	(b)	Calculation Amount:	A\$10,000
7.	(a)	Issue Date:	14 April 2022
	(b)	Interest Commencement Date:	Issue Date
8.		Maturity Date:	14 April 2027
9.		Interest Basis:	4.20 per cent. per annum Fixed Rate, subject to adjustment in accordance with the provisions set out in Schedule 1 (further particulars specified in item 13 below)
10.		Redemption/Payment Basis:	Redemption at par
11.		Change of Interest Basis:	Not Applicable
12.		Put/Call Options:	Issuer Call
			Change of Control Trigger Event
			(further particulars specified below)

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: Applicable
- (a) Rate of Interest: 4.20 per cent. per annum payable semi-annually in arrear on each Interest Payment Date commencing 14 October 2022, subject to adjustment as set out in paragraph (g) below
- (b) Interest Payment Date(s): 14 April and 14 October in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount: A\$210 per Calculation Amount
- (d) Broken Amount(s): Not Applicable
- (e) Day Count Fraction: RBA Bond Basis
- (f) Determination Dates: Not Applicable
- (g) Other terms relating to the method for calculating interest for Fixed Rate Notes: See Schedule 1 (*Step-Up Rating Change Event*)
14. Floating Rate Note Provisions: Not Applicable
15. Zero Coupon Note Provisions: Not Applicable

## PROVISIONS RELATING TO REDEMPTION

16. Issuer Call Applicable
- (a) Optional Redemption Date(s): The date fixed for redemption in the notice as referred to in Condition 7.3 which may be any Business Day after the Issue Date until (but excluding) the Maturity Date.
- (b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): The Issuer may redeem any of the Notes:
- (i) on or after the date falling 3 months prior to the Maturity Date at a redemption amount equal to 100 per cent. of the nominal amount of the Note; or
- (ii) any time before the date falling 3 months prior to the Maturity Date at a redemption amount equal to the Make-Whole Amount (as defined below) in respect of the Note,
- together in each case with any accrued and unpaid interest in respect of the Notes to (but excluding) the Optional Redemption Date.
- Make-Whole Amount** means, in respect of a Note, an amount (as determined by the Financial Representative) equal to the greater of:

- (a) 100 per cent. of the nominal amount of that Note; and
- (b) an amount determined by the Financial Representative to be the value of the Note being redeemed, calculated in accordance with the Reserve Bank of Australia Bond formula for the settlement price for fixed income securities, where the annual coupon is equal to the Base Interest Rate as defined in Condition 5.1A and the yield which applies is the sum of 0.25 per cent. per annum (being 20% of the Issue Margin to Benchmark, rounded to the nearest 5 basis point) and:
  - (i) the rate (expressed as a semi-quarterly rate) which is the average of the “bid” rate and the “ask” rate, in each case, calculated by ICAP Australia Pty Ltd (determined using linear interpolation as necessary, calculated by referencing the semi-annual rate adjusted for the 6 month 3 month basis (as applicable)) to the Maturity Date of the Notes as displayed on Bloomberg page ICAP<GO>, IAUS<GO>, 31<GO> or other electronic media at or around 10:00 am (Sydney time) three Business Days prior to the Optional Redemption Date; or
  - (ii) if ICAP Australia Pty Ltd no longer calculates those rates (or if those rates are not displayed by Bloomberg), the rate determined by the Financial Representative to be appropriate having regard to market rates and sources then available.

For the purposes of the definition of Make-Whole Amount, **Financial Representative** means a financial institution authorised as an authorised deposit-taking institution in Australia under the Banking Act 1959 of Australia which has been appointed, from time to time, by the Issuer for the purposes of calculating the Make-Whole Amount and notified to the Issuing and Paying Agent.

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|-----|---------------------------------|--|
| (c) | Redeemable in part:             | Applicable   |
|     | If redeemable in part:          |  |
|     | (i) Minimum Redemption Amount:  | Not Applicable   |
|     | (ii) Maximum Redemption Amount: | Not Applicable   |
| (d) | Notice Period:                  | Not less than 15 days’ nor more than 30 days’ notice to the Noteholders in accordance with Condition 12. |

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|-----|---|----------------------------------|
| 17. | Investor Put  | Not Applicable                   |
| 18. | (a) Change of Control Trigger Event:  | Applicable                       |
|     | (b) Change of Control Redemption Amount:  | A\$10,000 per Calculation Amount |
| 19. | Final Redemption Amount of each Note:   | A\$10,000 per Calculation Amount |
| 20. | Early Redemption Amount:  |                                  |
|     | Early Redemption Amount(s) payable on redemption for taxation reasons or upon acceleration following an Event of Default and/or the method of calculating the same: | A\$10,000 per Calculation Amount |

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |     |   |  |
|-----|---|--|
| 21. | Form of the Notes:                                  | Registered uncertificated form constituted by the Note Deed Poll.    |
| 22. | Additional Financial Centre(s):                     | Not Applicable   |
| 23. | Details relating to Instalment Notes:               | Not Applicable   |
| 24. | Use of Proceeds, other terms or special conditions: | As set out in Schedule 2 ( <i>Additional Green Bond Disclosure</i> ) |

#### **RESPONSIBILITY**

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

## PART B – OTHER INFORMATION

1. **LISTING** Not Applicable
2. **RATINGS**
- The Notes to be issued are expected to be rated AA by Fitch Australia Pty Ltd and A1 by Moody's Investors Service Pty Limited.
- A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.
- Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act; and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any other person who is not entitled to receive it.*
3. **DISTRIBUTION**
- (a) Method of distribution: Syndicated
- Australia and New Zealand Banking Group Limited (ABN11 005 357 522)
- Commonwealth Bank of Australia (ABN 48 123 123 124)
- National Australia Bank Limited (ABN 12 004 044 937)
- Westpac Banking Corporation (ABN 33 007 457 141)
- (b) Stabilising Manager(s) (if any): Not Applicable
- (c) US Selling Restrictions: Regulation S compliance Category 2; TEFRA Rules not applicable
- (d) Additional Selling Restrictions: Not Applicable
4. **OPERATIONAL INFORMATION**
- (a) ISIN Code: AU3CB0288397
- (b) Common Code: 246927189
- (c) Any clearing system(s) other than the Austraclear System, Euroclear Bank S.A./N.V. or Clearstream Banking S.A., Not Applicable

their addresses and the relevant identification number(s):

- (d) Delivery: Delivery against payment (unless otherwise agreed between the Issuer and the Dealers)
- (e) Name(s) and address(es) of additional or substitute Paying Agent(s): Not Applicable



**Schedule 1**  
(Step-Up Rating Change Event)

For the purposes of the Notes only, a new Condition 5.1A shall apply as follows:

**Step-Up Rating Change Event**

(a) The Rate of Interest payable on the Notes will be subject to adjustment if a Step-Up Rating Change Event (as defined below) occurs as follows.

(i) If in the Fixed Interest Period ending on the date immediately prior to an Interest Payment Date (the **Rating Determination Date**) a Step-Up Rating Change Event occurs, then the Rate of Interest shall be adjusted for the Fixed Interest Period commencing on the Interest Payment Date immediately following the Rating Determination Date and for each subsequent Fixed Interest Period thereafter, so that the Rate of Interest equals the Base Interest Rate (as defined below) plus an additional amount equal to the percentage per annum rate determined in accordance with the following table by reference to the credit rating assigned to the Notes by each Rating Agency as at the Rating Determination Date:

Rating (or equivalent)	BBB+ or higher*	BBB*	BBB-*	BB+ or lower*
<b>Baa1 or higher**</b>	Not applicable	0.20% per annum	0.40% per annum	0.80% per annum
<b>Baa2**</b>	0.20% per annum	0.40% per annum	0.60% per annum	1.00% per annum
<b>Baa3**</b>	0.40% per annum	0.60% per annum	0.80% per annum	1.20% per annum
<b>Ba1 or lower**</b>	0.80% per annum	1.00% per annum	1.20% per annum	1.20% per annum

\* Fitch

\*\* Moody's

(ii) If on the Rating Determination Date a credit rating is:

(A) assigned to the Notes by only one Rating Agency, any adjustment to the Rate of Interest necessitated by a Step-Up Rating Change Event shall be calculated as if the Rating Agency that has ceased to assign a credit rating to the Notes had assigned a credit rating to the Notes equal to the lower of (x) the credit rating actually assigned to the Notes by that Rating Agency most recently and (y) the credit rating that corresponds to the credit rating issued by the Rating Agency that has assigned a credit rating to the Notes;

(B) not assigned to the Notes by either Rating Agency, the Rate of Interest applicable to the Notes in respect of the Interest Period commencing on such Interest Payment Date shall be the Base Interest Rate plus 1.20 per cent. per annum;

(C) assigned to the Notes by more than 2 Rating Agencies, any adjustment to the Rate of Interest necessitated by a Step-Up Rating Change Event shall be calculated by reference to the two lowest credit ratings actually assigned to the Notes by those Rating Agencies at that time; or

(D) assigned to the Notes by any Rating Agency in addition to, or instead of, Moody's and/or Fitch, the ratings referred to in the table in paragraph (a)(i) above will be to the equivalent ratings from such other Rating Agency.

- (b) Notwithstanding any other provision of this Condition 5.1A, there shall be no adjustment in the Rate of Interest applicable to the Notes on the basis of any rating assigned to the Notes by any Rating Agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Notes.
- (c) At no time during the term of the Notes will the Rate of Interest payable on the Notes be more than the Base Interest Rate plus 1.20 per cent. per annum.
- (d) The Issuer will cause the occurrence of a Step-Up Rating Change Event giving rise to an adjustment in the Rate of Interest payable on the Notes pursuant to this Condition 5.1A to be notified to the Agent and the Calculation Agent and notice thereof to be given to Noteholders in accordance with Condition 12 as soon as possible after the occurrence of the relevant event but in no event later than the fourth Business Day thereafter.
- (e) In this Condition 5.1A:

The terms **Change of Control**, **Fitch**, **Moody's**, **S&P** and **Rating Agency** will have the meaning given to them in Condition 7.5. Any other capitalised term used but not defined in this Condition 5.1A will have the meaning given to that term in the Conditions.

**Base Interest Rate** means the Rate of Interest payable on the Notes in respect of a Fixed Interest Period commencing on an Interest Payment Date as determined in accordance with Condition 5.1 without reference to this Condition 5.1A.

**Step-Up Investment Grade Rating** means in relation to the Notes:

- (i) BBB by Fitch (or its equivalent under any successor rating category of Fitch);
- (ii) BBB by S&P (or its equivalent under any successor rating category of S&P);
- (iii) Baa2 by Moody's (or its equivalent under any successor rating category of Moody's); or
- (iv) an equivalent rating to either BBB or Baa2 by any other Rating Agency.

A **Step-Up Rating Change Event** occurs if, on the first date of the period (the **Step-Up Trigger Period**) commencing upon, the earlier of:

- (i) the occurrence of a Change of Control; and
- (ii) the date of the first public announcement of any Change of Control (or pending Change of Control),

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

- (A) the Notes carry a rating from any Rating Agency and any such rating is, within the Step-Up Trigger Period, either downgraded to a Step-Up Investment Grade Rating or below or withdrawn and is not, within the Step-Up Trigger Period, subsequently (in the case of a downgrade) upgraded to a rating which is higher than a Step-Up Investment Grade Rating by such Rating Agency or replaced by a rating which is higher than the Step-Up Investment Grade Rating of another Rating Agency; and
- (B) in making any decision to withdraw or downgrade such rating pursuant to paragraph (A) above, the relevant Rating Agency has expressly stated that such decision was as a result of the occurrence of that Change of Control (or pending Change of Control).

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

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

## Schedule 2 (Additional Green Bond Disclosure)

For the purposes of the Notes only, use of proceeds from the issuance of the Notes will be in accordance with the Sustainability Bond Framework dated February 2022 (the **Framework**). This schedule summarises the Framework to the extent it relates to the Notes, being green bonds. The Notes are subject to any additional terms set out in this schedule.

### The Sustainability Bond Framework

The following is a summary of the Framework.

The Notes have been issued in accordance with the Framework, which has been prepared in accordance and is aligned with the International Capital Markets Association (**ICMA**) Green Bond Principles (**GBP**), Social Bond Principles (**SBP**) and Sustainability Bond Guidelines (**SBG**) (the GBP, SBP and SBG collectively, the **ICMA Documents**), which are voluntary process guidelines accepted as one of the main guidelines for the issuance of green, social and sustainability bonds (together, the **GSS Bonds**) in the capital markets globally.



The Framework, Second Party Opinion, Assurance Report and Sustainability Bond Report (each as defined below) are or will be made in due course publicly available on the Issuer's debt investor information portal (the **Debt Investor Information Portal**): <https://www.nbnco.com.au/corporate-information/about-nbn-co/debt-investor-information>.



The Framework outlines the Issuer's processes relating to use of proceeds, process for project evaluation and selection, management of proceeds, reporting and external review. The Framework also describes the eligible green projects and eligible social projects which include assets, investments and other related and supporting expenditures (**Eligible Projects**).

#### (1) Use of proceeds

The net proceeds from the Notes issued under the Framework will be exclusively applied to finance or refinance, in part or in full, new and/or existing eligible green projects that meet one or more of the following categories of eligibility as recognised in the GBP (**Eligible Green Projects**).

The table below includes a sample of Eligible Green Projects which may be considered by the Issuer:

Eligible GBP Categories	Green Project Descriptions	Eligibility Criteria	SDG Mapping
Energy efficiency	Deployment of Australia's broadband network, using a more energy-efficient technology such as a fixed line fibre optic connection instead of legacy technology (i.e. copper), to lift the digital capability of Australia.	<p>Expenditure and investments related to improvements in energy efficiency of the NBN Co network technologies and infrastructure. To be eligible, NBN Co network technologies deployed must be significantly more energy efficient as measured by a kilowatt-hour per gigabyte of data (kwh/GB) unit when compared to legacy technology (i.e. copper).</p> <p>Example projects:</p> <ul style="list-style-type: none"> <li>• FTTP</li> <li>• FTTN</li> <li>• FTTB</li> <li>• FTTC</li> <li>• HFC</li> <li>• Transit Network Infrastructure, including fibre</li> </ul>	<div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <p>Expenditure and investments target improved energy efficiency of the NBN Co network</p> <div style="text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <p>Expenditure and investments target improved energy efficiency of the NBN Co network</p>

Eligible GBP Categories	Green Project Descriptions	Eligibility Criteria	SDG Mapping
Renewable energy	Purchasing renewable electricity to power the Issuer’s network and infrastructure in line with the Issuer’s RE100 Commitment.	<p>Expenditure and investments related to renewable energy generation, consumption and energy storage solutions such as batteries.</p> <p>Example projects:</p> <ul style="list-style-type: none"> <li>• Power Purchase Agreements that utilise solar, wind or battery technologies and are longer than five years.</li> </ul>	<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>  <p>Expenditure and investments related to renewable energy and energy storage solutions supports increasing renewable energy produced</p> <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>  <p>Expenditure and investments related to renewable energy and energy storage solutions supports increasing renewable energy produced and therefore sustainable management and efficient use of natural resources</p>

The eligible categories under the GBP may be expanded over time. It is expected that, where required, the list of selected Eligible Green Projects will be dynamic and reflect the Issuer’s priorities. Given the long-term nature of the Issuer’s assets and given precedents established from comparable issuers, the Issuer has selected a 36-month look-back period.

**(2) Process for project evaluation and selection**

The process of project evaluation and selection will ensure that the net proceeds of the Notes and each other GSS Bond issued under the Framework will meet the criteria set out in the Framework. This process and the Issuer’s broader approach to sustainability and sustainable finance is described below.

*The Issuer’s sustainability and sustainable finance governance structure*

The Issuer’s sustainability and sustainable finance governance structure is visually represented in the chart below:



### The role of the Sustainability Sub-Committee of Executive Committee (ExCo)

The Issuer's executive Sustainability Sub-Committee provides sustainability leadership across the organisation. This Sub-Committee meets quarterly and consists of six ExCo members with the Chief Strategy and Transformation Officer acting as Chair.

### The role of the Advisory Group and Financing Committee

The Issuer has formed a Sustainability Bond Advisory Group (**Advisory Group**) to carry out the evaluation and selection process. It considers and makes recommendations in respect of matters relating to green bonds, social bonds and sustainability bonds in funding arrangements and debt capital markets.

The role of the Advisory Group is to consider and make recommendations to the Financing Committee in respect of the following matters:

- the establishment of the Framework and where required, any updates, for the issuance of, and investment of proceeds from the Notes and each other GSS Bond;
- the identification of appropriate projects to be funded from proceeds of the Notes and each other GSS Bond; and
- the provision of annual reporting in respect of the Notes and each other GSS Bond and the Eligible Projects to investors.

Members of the Advisory Group serve in an advisory capacity only. Members do not have any executive powers, supervisory functions or decision-making authority in relation to the operations of the Issuer by virtue solely of their membership in the Advisory Group.

The Financing Committee is a Sub-Committee of the Board. Its role is to consider and approve all matters related to the Issuer's debt raising programmes, funding proposals and capital management strategy. This includes programs, proposals and strategies relating to sustainable finance transactions.

The Financing Committee is not bound by advice or recommendations received from the Advisory Group but will consider it appropriately in the context of the overall strategy and direction of the Issuer. The Financing Committee will advise the Advisory Group on the position or decisions taken in respect of the advice and/or recommendations received from the Advisory Group.

The stages of the process by which the Issuer determines how its projects fit within the eligible categories identified above is outlined below.

- 1) Asset and project identification – The Advisory Group meets monthly and assesses Eligible Projects;
- 2) Eligibility review – Eligible Projects are reviewed for compliance with the criteria outlined in the Framework;
- 3) Approval – The Advisory Group approves projects against criteria outlined in the Framework and makes recommendations to the Financing Committee for final approval;
- 4) Reporting established – Reporting established on Eligible Projects and management of proceeds;
- 5) Pre-issuance assurance – The provider of the Second Party Opinion (defined below) or an external reviewer completes pre-issuance assurance, and the Advisory Group oversees engagement with the external reviewer to ensure the Note complies with the Framework;
- 6) Bond issuance;
- 7) Post-issuance assurance – An external reviewer completes post-issuance assurance; and

- 8) Annual assurance and reporting – The Issuer’s sustainability bond report (the **Sustainability Bond Report**) is completed, and an annual assurance review of the Notes and each other GSS Bond for ongoing compliance with the Framework is provided.

### (3) Management of proceeds

#### Sustainable Bonds Register

The Issuer will establish a sustainable bonds register (the **Sustainable Bonds Register**) to manage the net proceeds of the Notes and each other GSS Bond issued under the Framework. The proceeds of the Notes and each other GSS Bond will be allocated to one or more Eligible Projects and aligned with the eligibility criteria described in the Framework and identified in the Sustainable Bonds Register.

The Sustainable Bonds Register will be reviewed annually by the Advisory Group to account for any re-allocation, repayments or drawings on the Eligible Projects.

The Sustainable Bonds Register will contain relevant information including:

- Details of the Notes and each other GSS Bond: key information including issue date, principal amount of proceeds, maturity date, interest margin or coupon, ISIN number etc; and
- Details of use of proceeds, including:
  - o Summary detail of Eligible Projects to which the proceeds have been allocated in accordance with this Framework, including name, description, location, project categorisation (green, social or sustainability), relevant sustainable finance principles and criteria and key impact metrics evidencing eligibility;
  - o Aggregate amount of proceeds allocated to each Eligible Project category (both in absolute and percentage terms);
  - o Confirmation of appropriate delegation authority (i.e. the Advisory Group) and endorsement that each Eligible Project is considered to be an eligible use of proceeds under the Framework;
  - o Any proceeds yet to be allocated to Eligible Projects;
  - o Estimated environmental and social impact; and
  - o Other necessary information.

#### Internal governance process – tracking allocation of funds towards Eligible Projects

The proceeds of the Notes and each other GSS Bond will be allocated to finance or re-finance Eligible Projects. This includes refinancing of existing debt which has been allocated to Eligible Projects but excludes refinancing debt associated with carbon-intensive activities and/or assets. The Issuer will track the receipt and use of proceeds via its internal reporting systems and leverage these same systems to ensure the proceeds are fully allocated to Eligible Projects. Eligible Projects will be recorded in the Sustainable Bonds Register.

The Issuer will monitor the allocation of proceeds from the Notes and each other GSS Bond, on an aggregated basis. This means monitoring that proceeds have been allocated to a single common pool of Eligible Projects, to ensure the aggregate value of the common pool is larger than the aggregate value of the proceeds on issue across all GSS Bonds. Use of proceeds monitoring will be undertaken by the Issuer’s Treasury and Corporate Finance functions who will also provide reports to the Advisory Group to validate that proceeds have been fully allocated to Eligible Projects.

#### Use of unallocated proceeds

It is not the Issuer’s intention to have any unallocated proceeds as the pool of eligible projects is considerably larger than the aggregate intended issuance volume. However, in the unlikely instance where there are unallocated proceeds,

these will be temporarily placed into cash or cash equivalents. The Issuer intends to allocate the net proceeds of the Notes and each other GSS Bond to Eligible Projects within 24 months following receipt.

#### **(4) Reporting**

##### Sustainability Bond Report

The Issuer will annually update and make the Sustainability Bond Report publicly available on the Debt Investor Information Portal. The Sustainability Bond Report will contain at least the following details:

- A list of all GSS Bonds issued in the reporting period and outstanding at the reporting date and summary terms of each transaction;
- Details of all GSS Bonds and use of proceeds as per the Sustainable Bonds Register;
- Where possible, qualitative and/or quantitative reporting of the environmental and social impacts (where relevant) resulting from the Eligible Projects; and
- Confirmation that the use of proceeds of GSS Bonds are in compliance with the Framework and any other requirements as applicable.

##### Other information

All reporting will be in line with the applicable market standards for GSS Bonds, such as the GBP, SBP and SBG. In addition to the Sustainability Bond Report, other information is or will be in due course available on the Debt Investor Information Portal as follows:

- The Framework;
- Second Party Opinion (defined below); and
- Assurance Report (defined below).

#### **(5) External review**

##### **(a) Second Party Opinion**

The Issuer has engaged Sustainalytics to issue an opinion (the **Second Party Opinion**) to confirm the alignment of the Framework with the applicable GBP, SBP and SBG, and contribution towards the Sustainable Development Goals. The Second Party Opinion is intended to inform investors in general and not intended for a specific investor.

The Second Party Opinion will be updated in future if any updates are made to the Framework.

##### **(b) Assurance Report**

The Issuer will engage an appropriate external reviewer to provide an annual review and limited assurance (the **Assurance Report**) stating that the Framework continues to align with the applicable GBP, SBP and SBG, and that the Notes and each other GSS Bond remains in compliance with the Framework. The external reviewer will also provide limited assurance over selected impact indicators included in the Sustainability Bond Report.

#### **(6) No representation, guarantee or assurance**

The establishment of the Framework is not a recommendation to purchase, hold or sell any Notes. The Framework, the ICMA Documents, Second Party Opinion, Assurance Report and Sustainability Bond Report are not a substitute for financial and social due diligence and the obligation to conduct this due diligence remains with the investor as it does for other investments.



The use of net proceeds from the Notes to the Eligible Projects does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Notes, the Eligible Projects, or the Eligible Green Projects. The Issuer cannot and does not give any assurance in relation to the actual social impact of the Notes, the Eligible Projects as a whole or any of the Eligible Green Projects therein.

Payments of principal and interest in respect of the Notes are not linked to the credit or the performance of any Eligible Green Project in any way and investors in the Notes do not obtain any right or interest in any Eligible Green Project or the Eligible Projects as a whole.

Investors should note that, without limitation, failure to comply with the Framework, allocate sufficient proceeds to Eligible Green Projects, track and manage the proceeds of issue, provide expected reporting, engage expected external reviewers, provide access to expected external reports or notify investors of changes may impact the value of an investment in the Notes, but will not constitute an Event of Default or other default or breach (however described) or otherwise permit redemption before the maturity date at the option of holders of Notes.

The Framework, Second Party Opinion, Assurance Report and Sustainability Bond Report are or will be made in due course publicly available on the Debt Investor Information Portal for information purposes only and are not incorporated by reference into and do not form part of this Pricing Supplement or the Information Memorandum.

No information contained in or accessible through any website, including the Debt Investor Information Portal or other webpage on the Issuer's website, is incorporated by reference into or forms part of this Pricing Supplement or the Information Memorandum.

**SIGNATORIES**

**The Issuer**

**EXECUTED** for and on behalf of **NBN CO** )  
**LIMITED (ACN 136 533 741)** by its attorneys )  
under a power of attorney dated 21 September 2021 )  
and the attorneys declare that the attorneys have not )  
received any notice of the revocation of such power )  
of attorney )

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Signature of attorney

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Signature of attorney

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Name of attorney

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Name of attorney