

EXECUTION VERSION

Pricing Supplement dated 31 May 2021



NBN CO LIMITED

(ACN 136 533 741)

Issue of A\$350,000,000 2.15% Medium Term Notes due 2 June 2028
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 REGULATION S UNDER THE SECURITIES ACT EXCEPT PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE NOTES ARE BEING OFFERED ONLY IN OFFSHORE TRANSACTIONS TO NON-US PERSONS IN RELIANCE UPON REGULATION S. 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 (Chapter 289) 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.

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MIFID II product governance / Professional investors and ECPs only target market – In accordance with the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate.

UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending Notes (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

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.

1. (a) Issuer: NBN Co Limited
2. (a) Series Number: 3
- (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\$350,000,000
- (a) Series: A\$350,000,000
- (b) Tranche: A\$350,000,000
5. Issue Price: 99.651 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: 2 June 2021
- (b) Interest Commencement Date: Issue Date
8. Maturity Date: 2 June 2028
9. Interest Basis: 2.15 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: 2.15 per cent. per annum payable semi-annually in arrear on each Interest Payment Date commencing 2 December 2021, subject to adjustment as set out in paragraph (g) below
- (b) Interest Payment Date(s): 2 June and 2 December in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount: A\$107.50 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
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 0.20 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.

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

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.	Other terms or special conditions:	Not Applicable

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 (ABN 11 005 357 522)
- Commonwealth Bank of Australia (ABN 48 123 123 124)
- Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832)
- Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162)
- (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: AU3CB0280634
- (b) Common Code: 234927183

- (c) Any clearing system(s) other than the Austraclear System, Euroclear Bank S.A./N.V. or Clearstream Banking S.A., their addresses and the relevant identification number(s): Not Applicable
- (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

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*
Baa1 or higher**	Not applicable	0.20% per annum	0.40% per annum	0.80% per annum
Baa2**	0.20% per annum	0.40% per annum	0.60% per annum	1.00% per annum
Baa3**	0.40% per annum	0.60% per annum	0.80% per annum	1.20% per annum
Ba1 or lower**	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 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.

SIGNATORIES

The Issuer

EXECUTED by **NBN CO LIMITED (ACN**)
136 533 741) in accordance with section 127 of)
the Corporations Act 2001 (Cth):)

Signature of Company Secretary/other Director

Signature of Director

Name of Company Secretary/other Director

Name of Director