

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Chorus Limited

ABN Company number

3454251

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Euro Medium Term Notes (the <i>Notes</i> ) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | EUR 300,000,000                            |

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+ See chapter 19 for defined terms.

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- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Refer to the Euro Medium Term Note Programme Information Memorandum lodged with ASX on 11 April 2019 (“**Information Memorandum**”) (in particular, the “General Description of the Programme” on page 5, the “Overview” on pages 6-10 and the “Terms and Conditions of the Notes” on pages 30-59).

Capitalised terms not otherwise defined in this Appendix 3B have the meaning set out in the Information Memorandum.

The Notes are fully paid, non-cumulative, transferable, redeemable, unsubordinated, direct and unconditional notes issued by Chorus.

The Notes are guaranteed unconditionally and irrevocably by the Guarantors.

The Notes pay non-cumulative fixed rate Fixed Coupon Amounts annually in arrear. The first Fixed Coupon Amount is scheduled to be paid on 5 December 2020.

The Initial Rate of Interest is 0.875 per cent.

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Refer to the Information Memorandum (in particular, Condition 5 (<b>Status and Guarantee</b>) on page 41).</p> <p>The Notes constitute direct and unconditional obligations of Chorus Limited which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.</p> <p>Due and punctual payment of sums expressed to be payable by the Issuer in respect of the Notes, Receipts or Coupons are unconditionally and irrevocably guaranteed by the Guarantors. The Guarantee of the Notes constitutes direct and unconditional obligations of each Guarantor which will at all times rank at least <i>pari passu</i> with all other present and future unsecured obligations of the guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.</p>
<p>5 Issue price or consideration</p>	<p>EUR 298,059,000</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Net proceeds from the issue are to be used for general corporate purposes.</p>

+ See chapter 19 for defined terms.

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<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>N/A</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>N/A</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>N/A</p>
<p>6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.</p>	<p>N/A</p>
<p>6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>N/A</p>
<p>6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements</p>	<p>N/A</p>

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+ See chapter 19 for defined terms.

7	<p><b>+Issue dates</b></p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	5 December 2019
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8	<p>Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	Number	+Class
		EUR 500,000,000	Euro Medium Term Notes (2016 Programme)
		EUR 300,000,000	Euro Medium Term Notes (2019 Programme)
		443,709,223	Fully paid ordinary shares

9	<p>Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p>	Number	+Class
		449,339,852	CIP1 Equity Securities (unquoted)
		449,339,852	CIP1 Debt Securities (unquoted)
		13,616,485	CIP1 Warrants (unquoted)
		98,746,276	CIP2 Equity Securities (unquoted)

10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>The Notes pay non-cumulative fixed rate Fixed Coupon Amounts annually in arrear, beginning on 5 December 2020.</p> <p>The first Fixed Coupon Amount is scheduled to be paid on 5 December 2020.</p>
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## Part 2 - Pro rata issue

11	<p>Is security holder approval required?</p>	N/A
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+ See chapter 19 for defined terms.

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12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

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+ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	<sup>+</sup> Issue date	N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)
- (a)  <sup>+</sup>Securities described in Part 1
- (b)  All other <sup>+</sup>securities

<sup>+</sup> See chapter 19 for defined terms.

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Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over
- 37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought

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+ See chapter 19 for defined terms.



<p>40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A
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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A
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	Number	+Class
<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	N/A	

+ See chapter 19 for defined terms.

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(~~Director~~/Company secretary)

04/12/2019  
Date: .....

Print name: Elaine Campbell  
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+ See chapter 19 for defined terms.

## INFORMATION MEMORANDUM



### **CHORUS LIMITED**

*(incorporated with limited liability in New Zealand)*

Guaranteed by

### **Chorus New Zealand Limited**

*(incorporated with limited liability in New Zealand)*

**U.S.\$2,000,000,000**

### **Euro Medium Term Note Programme**

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Under the Euro Medium Term Note Programme described in this Information Memorandum (the "**Programme**"), Chorus Limited (the "**Issuer**" or "**Chorus**") may from time to time issue notes (the "**Notes**") unconditionally and irrevocably guaranteed by Chorus New Zealand Limited (the "**Original Guarantor**") and any other Guarantors (as defined below) from time to time.

For the listing of any Notes which are agreed at the time of issue thereof to be listed on the Australian Securities Exchange ("**ASX**") operated by ASX Limited (ABN 98 008 624 691) ("**ASX Limited**"), application will be made by the Issuer to ASX Limited. There is no assurance that the application to ASX Limited for listing of the Notes will be approved. Any Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Sub-Register System ("**CHES**") operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of that system. Interests in the Notes will instead be held in, and transferred through, Euroclear and/or Clearstream, Luxembourg, and/or in relation to any Tranche (as defined below) of Notes, any other clearing system as may be agreed with the Issuer. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading, and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. The relevant Pricing Supplement (as defined below) in respect of any Tranche of Notes will specify whether or not such Notes will be listed or quoted.

The ASX assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Information Memorandum, or the merits of the investments to which this Information Memorandum relates. Listing of any Notes on the ASX is not to be taken as an indication of the merits of the Issuer, the subsidiaries and associated companies of the Issuer, the Programme or the Notes.

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") will be disclosed in the relevant Pricing Supplement. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC as amended or superseded, 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 Directive 2003/71/EC, as amended or superseded. 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.

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer

subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

**Singapore SFA Product Classification:** 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 Notes to be issued under the Programme are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products), unless otherwise specified before an offer of Notes in relation to those Notes.

Credit ratings are for distribution in Australia only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 (Cth) of Australia (the "**Australian Corporations Act**") and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or 7.9 of the Corporations Act 2001 of Australia, 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.

***Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Original Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.***

	<b>Arranger</b> <b>Citigroup</b>	
	<b>Dealers</b> <b>HSBC</b>	
<b>Citigroup</b>		<b>MUFG</b>
10 April 2019		

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## IMPORTANT NOTICES

Each of the Issuer and the Original Guarantor (together, the "**Responsible Persons**") accepts responsibility for the information contained in this Information Memorandum and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") and any other terms and conditions not contained herein will be set out in a document specific to such Tranche called a pricing supplement (the "**Pricing Supplement**"). This Information Memorandum must be read and construed together with any supplements hereto and, in relation to any Tranche of Notes which is the subject of a Pricing Supplement, must be read and construed together with the relevant Pricing Supplement.

The Issuer and the Original Guarantor have confirmed to the Dealers named under "*Subscription and Sale*" below that this Information Memorandum contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Information Memorandum does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Original Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Original Guarantor or any Dealer.

None of the Dealers, the Trustee nor any of their respective affiliates have authorised the whole or any part of this Information Memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Information Memorandum. Neither the delivery of this Information Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Information Memorandum is true subsequent to the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the Original Guarantor since the date thereof or, if later, the date upon which this Information Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Information Memorandum and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum or any Pricing Supplement comes are required by the Issuer, the Original Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Information Memorandum or any Pricing Supplement and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes and the guarantees thereof have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Information Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Original Guarantor, the Dealers, the Trustee or any of them that any recipient of this Information Memorandum or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Information Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Original Guarantor.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed U.S.\$2,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the amended and restated programme agreement dated 10 April 2019 ("**Programme Agreement**"))). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

In this Information Memorandum, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.\$**" or "**U.S. dollars**" are to the lawful currency of the United States of America from time to time, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**£**" or "**GBP**" are to the lawful currency of the United Kingdom from time to time, and references to "**NZD**", "**NZ\$**" and "**New Zealand dollars**" are to New Zealand dollars.

References to the "**Chorus Group**" are to the Issuer and its wholly-owned subsidiaries, including the Original Guarantor, and references to the "**Crown**" are to Her Majesty the Queen acting in right of New Zealand. References to "**premises**" in connection with the Chorus Group's network are to a single building or structure located on a defined geographical site (such as may be evidenced by a certificate of title), which has a unique physical address recognised by New Zealand Post Limited ("**NZ Post**"), and is occupied by or could readily be occupied by a potential end-consumer.

The Issuer has prepared audited consolidated financial statements as at and for the years ended 30 June 2018 and 30 June 2017. In addition, half year financial results for the periods ended 31 December 2017 and 31 December 2018 have been prepared and published. The Original Guarantor has not published, and does not propose to publish, any separate financial statements.

Certain figures and percentages included in this Information Memorandum have been subject to rounding adjustments; accordingly, figures and percentages shown for the same category presented in different tables may vary slightly and figures and percentages shown as totals in certain tables may not be an arithmetic aggregation of the figures or percentages which precede them.

This Information Memorandum is not, and is not intended to be, a disclosure document within the meaning of section 9 of the Australian Corporations Act, or a Product Disclosure Statement for the purposes of Chapter 7 of the Australian Corporations Act. No action has been taken by the Issuer or any Guarantor that would permit a public offering of Notes in Australia. In particular, this Information Memorandum has not been lodged with the Australian Securities and Investments Commission. It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided in Australia to any "retail client" as defined in section 761G of the Australian Corporations Act. None of the Issuer or the Guarantors are licensed to provide financial product advice in respect of the Notes or the Guarantee. Cooling-off rights do not apply to the acquisition of the Notes.

This Information Memorandum is not, and is not intended to be, a Product Disclosure Statement for the purposes of Financial Markets Conduct Act 2013 of New Zealand. No action has been taken by the Issuer or any Guarantor that would permit a public offering of Notes in New Zealand.

In particular, this Information Memorandum has not been lodged with the New Zealand Registrar of Financial Services Providers. It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied.

Certain statements contained in this Information Memorandum, including those set out under "*Risk Factors*" and "*Description of the Chorus Group's Business*", and those incorporated by reference, constitute "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "anticipate", "intend", "may", "will" or "should" or in each case their negative, or other variations or comparable terminology. Such forward-looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Chorus Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, general economic and business conditions, industry trends, competition, changes in government regulation, currency fluctuations, changes in operating strategy or development, political and economic uncertainty and other risks described in "*Risk Factors*". There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Information Memorandum will, in fact, occur. These forward-looking statements speak only as at the date of this Information Memorandum. The Issuer and the Original Guarantor will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Information Memorandum except as required by law or by any appropriate regulatory authority.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions, to the extent permitted by applicable laws, regulations and rules, and other than in the circumstances where such action would reasonably be expected to affect the price of the Notes traded within Australia or New Zealand or on a "financial market", as defined in the Australian Corporations Act, operated within Australia and with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilising Manager(s) to do this. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.**



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be incorporated in, and form part of, this Information Memorandum:

- (a) Chorus' annual audited consolidated financial statements and related notes as at, and for the financial year ended, 30 June 2017 (including the audit report issued in respect thereof), as contained on pages 25 to 56 of Chorus' Annual Report for the year ended 30 June 2017, which has been provided to the ASX; and
- (b) Chorus' annual audited consolidated financial statements and related notes as at, and for the financial year ended, 30 June 2018 (including the audit report issued in respect thereof), as contained on pages 27 to 63 of Chorus' Annual Report for the year ended 30 June 2018, which has been provided to the ASX;
- (c) Chorus' unaudited consolidated financial statements and related notes as at, for the six months ended, 31 December 2018 (including the independent review report issued in respect thereof), as contained on pages 4 to 16 of Chorus' Half Year Results for the six months ended 31 December 2018); and
- (d) the most recently published annual audited consolidated financial statements, and any interim consolidated financial statements, and related notes of Chorus published and provided to the ASX subsequently to the date of this Information Memorandum from time to time; and
- (e) each relevant Pricing Supplement,

except that (i) any forecast financial information, or analysis and/or opinions relating to forecast financial information, contained in the documents referred to at (a) to (d) above shall not be incorporated by reference in, nor form part of, this Information Memorandum, and (ii) any statement contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum shall be deemed to be modified or superseded to the extent that it is inconsistent with any statement contained in a subsequent such document.

Any information or other documents themselves incorporated by reference, either expressly or implicitly, in the documents incorporated by reference in this Information Memorandum shall not form part of this Information Memorandum.

Following the publication of this Information Memorandum a supplement may be prepared by the Issuer. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum can be obtained from the offices of the Principal Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

Internet site addresses in this Information Memorandum are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Information Memorandum.

The Issuer and the Original Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement to this Information Memorandum or publish a new Information Memorandum for use in connection with any subsequent issue of Notes or may provide supplemental or additional information in a Pricing Supplement in connection with the issue of a particular Tranche of Notes.

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "*Forms of the Notes*" below.

The aggregate principal amount of Notes outstanding and guaranteed at any time will not exceed U.S.\$2,000,000,000 or its equivalent in other currencies, subject to increase as described below. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time, the maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed U.S.\$2,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Programme Agreement)). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

## OVERVIEW

*The following is an overview of the principal features of the Notes and is qualified in its entirety by the detailed information appearing elsewhere in this Information Memorandum and, in particular, under "Terms and Conditions of the Notes". Potential purchasers of Notes are urged to read this Information Memorandum in its entirety. Terms used in this overview and not otherwise defined shall have the meaning given to them in the "Terms and Conditions of the Notes".*

<b>Issuer:</b>	Chorus Limited, a limited liability company incorporated under the Companies Act 1993 of New Zealand with company number 3454251 and having its registered office at Level 10, 1 Willis Street, Wellington 6011, New Zealand. Chorus Limited is the listed holding company of Chorus New Zealand Limited.
<b>Original Guarantor:</b>	Chorus New Zealand Limited, a limited liability company incorporated under the Companies Act 1993 of New Zealand with company number 3454256 and having its registered office at Level 10, 1 Willis Street, Wellington 6011, New Zealand. Chorus New Zealand Limited is the operating company in the Chorus Group (which shall consist of the Issuer and all of its wholly owned subsidiaries).
<b>Guarantors:</b>	The Original Guarantor and such additional or alternative subsidiaries of the Issuer as may be appointed from time to time. The terms of the amended and restated trust deed dated 10 April 2019 (the " <b>Trust Deed</b> ") provide for the mandatory accession as Guaranteeing Subsidiaries of each Material Subsidiary (as defined in the Trust Deed) of the Issuer as a Guarantor of Notes under the Programme and the release of a Guarantor at the option of the Issuer upon certification to the Trustee. As at the date of this Information Memorandum, the Original Guarantor is the sole Guarantor of Notes issued under the Programme.
<b>Risk Factors:</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantors to fulfil their respective obligations under the Notes are discussed under " <i>Risk Factors</i> " below.
<b>Arranger:</b>	Citigroup Global Markets Limited.
<b>Dealers:</b>	Citigroup Global Markets Limited The Hongkong and Shanghai Banking Corporation Limited (incorporated in the Hong Kong SAR, acting through its New Zealand branch) MUFG Securities Asia Limited  and any other Dealer appointed from time to time by the Issuer and the Guarantors either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Trustee:</b>	The Law Debenture Trust Corporation p.l.c.
<b>Principal Paying Agent:</b>	Citibank, N.A., London Branch.
<b>Registrar:</b>	Citibank, N.A., London Branch.

<b>Listing and Trading:</b>	<p>For the listing of any Notes which are agreed at the time of issue thereof to be listed on the ASX, application will be made by the Issuer to ASX Limited. There is no assurance that the application to ASX Limited for the listing of the Notes will be approved. Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of that system.</p> <p>The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.</p> <p>The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed, quoted and/or admitted to trading on a stock or securities exchange.</p>
<b>Clearing Systems:</b>	<p>Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Pricing Supplement.</p>
<b>Initial Programme Amount:</b>	<p>Up to U.S.\$2,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.</p>
<b>Issuance in Series:</b>	<p>Notes will be issued in Series. Each Series 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 the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.</p>
<b>Forms of Notes:</b>	<p>The Notes will be issued in bearer or registered form as specified in the applicable Pricing Supplement. Notes may be issued in bearer form only ("<b>Bearer Notes</b>") or in registered form only ("<b>Registered Notes</b>"), as described in the "<i>Forms of the Notes</i>". Each Tranche of Notes will initially be in the form of either a Temporary Global Note, a Permanent Global Note or a Registered Global Note in each case as specified in the relevant Pricing Supplement. Each Global Note which is not intended to be issued in new global note form (a "<b>Classic Global Note</b>" or "<b>CGN</b>"), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "<b>New Global Note</b>" or "<b>NGN</b>"), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note</p>

will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

- Currencies:** Notes may be denominated in any currency or currencies as may be agreed between the Issuer and the relevant Dealer(s), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
- Status of the Notes:** Notes will be issued on an unsubordinated basis and will constitute direct and unconditional obligations of the Issuer.
- Status of the Guarantee:** Notes will be unconditionally and irrevocably guaranteed by the Guarantors, on an unsubordinated basis ("**Guarantee**").
- Issue Price:** Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Pricing Supplement. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantors and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
- Maturities:** Any maturity as may be agreed between the Issuer and the relevant Dealer(s), subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
- Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer.
- Redemption:** Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement.

Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement.

**Optional Redemption:** Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.

**Tax Redemption:** Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 11(b) (*Redemption and Purchase - Redemption for tax reasons*).

**Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

**Denominations:** Notes will be issued in denominations of €100,000 or such other denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Pricing Supplement provided that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, at least the equivalent amount in such currency) or such other higher amount as may be required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

**Negative Pledge:** The Notes will have the benefit of a negative pledge as described in Condition 6 (*Negative Pledge*).

**Cross Default:** The Notes will have the benefit of a cross default as described in Condition 14 (*Events of Default and Enforcement*).

**Taxation:** All payments in respect of Notes will be made free and clear of withholding taxes of New Zealand, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 13 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

**Governing Law:** English law.

**Ratings:** The Programme has been rated BBB by S&P Global Ratings Australia Pty Ltd ("**S&P Global**") and Baa2 by Moody's Investors Service Pty Limited ("**Moody's**").

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

S&P Global and Moody's are not established in the European Union and have not applied for registration under the CRA Regulation. However, their credit ratings

are endorsed by S&P Global Ratings Europe Limited and Moody's Investors Service Limited respectively pursuant to and in accordance with the CRA Regulation. Each of S&P Global Ratings Europe Limited and Moody's Investors Service Limited is established in the European Union and is registered under the CRA Regulation (and, as such is included in the list of the credit rating agencies published by the European Securities and Markets Authority on its website).

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan, Australia and New Zealand, see "*Subscription and Sale*" below.

## RISK FACTORS

*Prospective investors should read and carefully consider the entire Information Memorandum, including the risks and uncertainties described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Information Memorandum have the same meanings in this section.*

*The Issuer and the Original Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme and the Guarantee. All of these factors are contingencies which may or may not occur and the Issuer and the Original Guarantor are not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer or the Original Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme and the Guarantee are also described below. Additional risks not currently known to the Issuer or the Original Guarantor or that they now deem immaterial may also adversely affect the Issuer or the Original Guarantor or affect an investment in the Notes.*

### **Risks relating to the Issuer**

The Issuer is a holding company, and accordingly substantially all of its assets consist of its shareholding in subsidiary companies within the Chorus Group. As such, a further activity of the Issuer is to provide financing to subsidiary companies within the Chorus Group and to refinance these obligations. The ability of the Issuer to satisfy its obligations under the Notes will depend upon dividend payments and/or other payments to the Issuer by the subsidiary companies within the Chorus Group and/or financial support it may obtain from the Original Guarantor. The assets of the Issuer should not therefore be primarily relied upon by prospective investors in making an investment decision to purchase the Notes. Rather, any investment decision to purchase the Notes should be based primarily on the strength of the Original Guarantor.

### **Risks relating to the regulatory environment in which the Chorus Group operates**

*Regulation of services may adversely affect the Chorus Group's business*

At the date of this Information Memorandum, the majority of the Chorus Group's revenue comes from services that are controlled by regulation (in the case of many copper services) or contract (in the case of many fibre services), as discussed below.

As at 31 December 2018, approximately 50% of the Chorus Group's revenues were from copper services with pricing and terms regulated by the New Zealand Commerce Commission (the "**Commerce Commission**") under the Telecommunications Act 2001 of New Zealand (the "**Telco Act**"). The Chorus Group's fibre services are not currently subject to price regulation and most are instead subject to contractual pricing and terms agreed with the New Zealand Government as part of the Ultra Fast Broadband ("**UFB**") contracts.

The Telecommunications (New Regulatory Framework) Amendment Act 2018 (the "**Amendment Act**") establishes the statutory framework for a new regulatory regime. The Amendment Act passed its third reading in Parliament on 7 November 2018 and received Royal Assent on 12 November 2018. Under the Amendment Act:

- from 1 January 2020, the Chorus Group will continue to be obliged to provide certain regulated copper services in accordance with the existing price and non-price terms determined by the Commission, except in areas designated by the Commission where fibre services are available. Where the Chorus Group is obliged to provide the relevant copper services, the prices will be fixed at the year five price established under the current regulatory determination, subject to annual CPI adjustment. The Commerce Commission must review regulation of copper services before the end of 2025 which could result in further deregulation or new regulation of copper services; and
- the Commerce Commission will be required to develop and implement a new regulatory regime for fibre fixed line services. The new regime for fibre fixed line services will



apply to the Chorus Group, and other entities providing fibre fixed line services, from 1 January 2022. The price (subject to annual CPI adjustment) and non-price terms of Chorus' fibre services will continue to be governed by the UFB1 Agreement and the UFB2 Agreement until the new regulatory regime for fibre services is fully implemented on 1 January 2022.

Once implemented, the new regime:

- caps the revenue the Chorus Group is allowed to generate from its fibre services;
- requires Chorus to comply with specified quality standards in the provision of its regulated services;
- provides for regulations requiring Chorus to provide certain fibre services, including anchor services (a basic broadband fibre service and a basic telephony fibre service), a direct fibre access service, and unbundled fibre services. Chorus must provide the services at prices that are no greater than the maximum prices set by regulation in the case of the anchor and direct fibre access services, and on the terms set by the regulations. The unbundled fibre service will not have a maximum price set by regulation initially, but the Minister of Broadcasting, Communications and Digital Media ("**Minister**") may elect to set a maximum price, if it is recommended by the Commission after the first three year regulatory period; and
- provides for regulations requiring Chorus to disclose certain information about its fibre services to the Commerce Commission.

The Commerce Commission will determine the cap on revenue from fibre services following a prescribed consultative process. The revenue cap is intended to ensure that Chorus is able to recover its efficient and prudently incurred costs and is prevented from earning 'excessive profits'. The revenue cap will be set in advance of each regulatory control period on the basis of forecast costs, and therefore there is a risk that actual costs will diverge from forecast. There are likely to be only limited mechanisms to re-open the revenue cap in the course of each regulatory control period. While the provisions in the Telco Act for the cap on revenue from fibre services take account of the costs and losses the Chorus Group has incurred in providing those services before the new regulatory regime takes effect, the revenue cap is not required to ensure that the Chorus Group fully recovers those costs and losses.

After the initial three year regulatory period, the Commission may conduct a review and recommend to the Minister that the regulations be reset so that the regulations provide for a price cap for all fibre services rather than a revenue cap. If this recommendation is made and the Minister accepts the recommendation and sets a reset date, the Commission may move to implement price cap regulation rather than revenue cap regulation.

The Minister will determine the regulations for anchor services, the direct fibre access service and unbundled fibre service. Those regulations may be reviewed by the Commission. For the first three year regulatory period, the maximum price of the anchor services and direct fibre access service must be set by reference to the UFB contract price for the service immediately before the implementation date, with an annual CPI adjustment. After the first three year regulatory period, the Commission may recommend that the Minister set a maximum price that is a cost based price.

The new regulatory framework will be implemented through regulations made by the Minister and determinations made by the Commerce Commission. The first indication of the Commission's position is likely to be known in May 2019, and any preliminary view will be subject to two further rounds of submissions and cross submissions. As at the date of this Information Memorandum no regulations or determinations have been issued. Accordingly, there is some uncertainty regarding the regulated terms of the Chorus Group's services from 2022.

While outcomes from future reviews could adversely impact the Chorus Group's operations, market share, competitiveness, financial performance and financial position as could future

government policies, ministerial decisions, regulator decisions or other regulatory outcomes, the Chorus Group believes such risks are reduced with the introduction of the new regulatory regime.

The UFB1 Agreement includes a mechanism for the Chorus Group to seek compensation from CIP if regulatory determinations have an adverse impact before 2020. This compensation mechanism is limited to NZ\$350 million of economic compensation from adjusting arrangements under the existing contracts and will not involve CIP paying the Chorus Group any amounts above the agreed approximately NZ\$929 million investment. As a result, the compensation mechanism may not result in the Chorus Group being adequately compensated. The UFB2 Agreement does not include any such compensation mechanisms.

Non-compliance with the requirements of the new regulatory requirements could result in inquiries, investigations, litigation and/or fines.

*Changes in regulation may require significant further investment without substantial return and have other consequences*

Any regulation, regulatory reviews or determinations affecting the relative prices between copper and fibre services may impact demand for those services or an unbundled form of such services.

Changes to service specifications and/or non-price terms under any regulatory regime may also require the Chorus Group to invest in its network or do other things without price increases, other compensation, or in ways which do not provide it with appropriate cost recovery or an adequate return on investment.

Any such changes may adversely affect the Chorus Group's revenue and profitability.

Future government policies, ministerial decisions, regulator decisions or other regulatory outcomes could adversely impact the Chorus Group's operations, market share, competitiveness, financial performance and financial position.

*The Chorus Group is subject to other material regulation*

The Chorus Group is subject to other regulatory determinations of the Commerce Commission including annual fibre information disclosure requirements, a contribution towards the Telecommunications Development Levy ("**TDL**") imposed under the Telco Act and Commerce Commission costs. In addition to enforceable regulatory determinations of the Commerce Commission, the Chorus Group is subject to other obligations including open access obligations and telecommunications service obligations under the Telco Act and deeds with the Crown. Non-compliance with these requirements could result in inquiries, investigations, litigation and/or fines. Such circumstances, and or future changes to requirements, may adversely impact revenue and costs.

Furthermore, certain regulatory and legislative rules limit the Chorus Group's ability to pursue certain business opportunities and activities and, consequently, may affect the returns it can generate on its assets. There can be no assurances gained by the Chorus Group as to future policies, ministerial decisions or regulatory outcomes it may face which could adversely impact the Chorus Group's operations, market share, competitiveness and financial performance.

Further information on regulation applicable to the Chorus Group is set out under the heading "*Description of the Chorus Group's Business – Regulation of the Chorus Group*" below.

*Regulatory proceedings and investigations*

Regulatory proceedings and investigations in relation to the Chorus Group may in the future require considerable resources and management attention to be diverted to them, which may adversely affect the Chorus Group's business and results of operations.

Further information on the Chorus Group's regulatory environment is set out under "*Description of the Chorus Group's Business – Regulatory reviews and litigation*" and under "*Description of the Chorus Group's Business – Regulation of the Chorus Group*" below.

### **Risks relating to the Chorus Group's services and business**

*The Chorus Group faces risks associated with undertaking large projects*

The Chorus Group maintains, builds and operates a nationwide fixed line communications network including copper and fibre optic lines and related infrastructure and technologies connecting homes, schools, hospitals and business throughout New Zealand. The Chorus Group sells wholesale services to its retail service provider customers who then sell broadband and voice services to end-consumers.

Under the UFB Agreements, Chorus is contracted to build, operate and connect a new fibre optic network to about three-quarters of the 87% of New Zealanders to be covered by the New Zealand Government's UFB network build. Chorus' role in the network build involves passing approximately 1,054,000 premises and reaching an estimated 1.36 million end-consumers by the end of 2022. At 31 December 2018, Chorus' fibre rollout was approximately 70% complete.

Although the build process is 70% complete, and therefore the risks are diminishing, Chorus continues to face the risks typical to large scale, long duration infrastructure and construction projects, including:

- underestimating costs or required timeframes;
- unanticipated delays in obtaining materials and equipment;
- shortages of labour or materials and equipment;
- labour risks associated with a predominantly migrant work force;
- increases in the cost of materials or labour that exceed inflation assumptions;
- increases in the cost of materials or equipment resulting from foreign exchange movements;
- engineering problems;
- work stoppages, particularly labour disputes at third party contractors;
- difficulties or delays in obtaining permits and approvals; and
- interruptions from adverse weather conditions.

Any of these factors could result in the Chorus Group failing to meet its timetable and budget estimates.

There are also potentially significant consequences (including financial) for Chorus under the UFB Agreements if it breaches its UFB design, build, delivery or operation obligations, including:

- potentially significant default payments if Chorus fails to meet performance milestones or service levels;
- potentially significant damages claims or specific performance for other breaches;
- for prolonged or significant performance failure, CIP may be able to exercise management step-in rights (in respect of UFB1 only), require payment of liquidated damages and/or terminate the relevant UFB Agreement. CIP and Chorus have agreed,

for the benefit of the Chorus Group's senior financiers, the obligation to pay these liquidated damages will be subordinated to Chorus' senior indebtedness.

Timetable delays may also delay the revenues that the Chorus Group would otherwise earn from delivering UFB services. Substantial increases in the cost of the project could adversely affect the Chorus Group's return on investment, future profitability and its ability to raise capital on acceptable terms.

*Demand for fibre services may be volatile*

At the date of this Information Memorandum, the number of end-consumers choosing the Chorus Group's fibre network continues to grow, and the year ending 30 June 2019 is expected to be the peak year of Chorus' fibre rollout. A failure by the Chorus Group to manage demand may result in reputational damage or lead to breaches of the UFB Agreements. Increasing demand may also result in the acceleration of operating and capital expenditure and funding requirements for the Chorus Group. Rapid growth in network traffic could also constrain parts of the Chorus Group's network necessitating further investment.

The demand for services provided by the Chorus Group may be affected by fibre networks built by other "local fibre companies" ("LFCs") in the approximately 25% of UFB candidate areas not awarded to the Chorus Group and by alternative technologies that may be developed as communications technology continues to evolve. See further under "*Demand for the Chorus Group's services may decrease as a result of market factors*" below.

The Chorus Group's future revenues and profitability will be affected by both the level of fibre uptake and the mix of fibre services sold between basic plans and higher-priced premium services. Because an end-consumer's uptake of fibre will often be accompanied by an offsetting loss of revenue as the end-consumer disconnects from the copper network, the Chorus Group bears the cost of initially connecting premises to the fibre network and the profitability of fibre services depends on the mix between lower priced basic plans and higher priced premium services, the Chorus Group's profitability may be adversely affected by uptake that is either too low, too high or that is overly weighted to basic services.

*The Chorus Group is dependent on third party contractors and suppliers*

The Chorus Group engages a number of external suppliers to build, operate and maintain its network and to supply services, equipment and materials. Significant failure by these parties could impact the Chorus Group's ability to meet its other obligations. For example, failure of a service provider could result in Chorus breaching a UFB Agreement and could affect the Chorus Group's financial position and performance, and potentially also breach agreements with the retail service providers ("RSPs").

*The Chorus Group is dependent upon its skilled employees*

The Chorus Group is dependent upon skilled and experienced employees to provide its services. Employee exposure to significant work related pressures over recent years from the implementation of regulatory and transformational initiatives (including from the UFB process), the extended uncertainty about the Chorus Group's future structure in a UFB environment and increasing international employment opportunities has posed a risk to the Chorus Group's ability to retain experienced and skilled people and industry knowledge. If the Chorus Group is unable to attract and retain employees with key technical, service or institutional knowledge, this may impact the Chorus Group's ability to deliver its future plans and materially affect its financial performance.

*Health and safety*

Keeping people healthy and safe is a priority of the Chorus Group. This includes a policy that no business objective will be prioritised over the health and safety of any person in the Chorus Group's work environments. Key risks in the field include working at heights and in confined spaces, driving, asbestos, and striking other networks and electrocution. The Chorus Group is

committed to taking all reasonably practicable steps to ensure a safe and secure environment (for both employees and contractors) and anyone who is in, or in the vicinity of, its workplaces. The Chorus Group is focused on continued improvement to health and safety practices, and it continues to work closely with contractors on reducing the risk of work related injuries.

The Chorus Group is investigating instances of employment law breaches by some subcontractors in its supply chain. The Chorus Group are voluntarily working collaboratively with its lead service companies and the New Zealand Government's Ministry of Business, Innovation and Employment's labour inspectorate to understand the risks, particularly in relation to migrant workers, and to implement appropriate controls.

*The Chorus Group's network may be constrained, damaged or interrupted*

Rapid growth in network traffic could constrain parts of the Chorus Group's network necessitating further investment to provide additional capacity. This can also require rapid increases in the workforce of the Chorus Group and its service company partners generally or in particular regions. There is a risk that such volatility in workforce size can lead to delays and the quality of some installations falling below expected standards.

The Chorus Group's network infrastructure is vulnerable to damage or interruption from a range of risks, including equipment failure, cable cuts, power failures, weather, earthquake, fire, long term climate change and intentional damage.

Interruption to the operations of the Group's network could also result in lost revenue, capital expenditure, higher operating costs, reputational damage and liability to customers.

*The Chorus Group relies on IT systems*

The Chorus Group's own information technology ("IT") systems, and those third party systems on which it relies (including shared legacy systems with Spark New Zealand Limited ("**Spark**")), sit within a complex technical and operating environment. This environment continues to grow in complexity as systems are progressively transitioned from third parties and as copper to fibre migration continues. These systems also face risks of failure.

The Chorus Group has incident, continuity and emergency management capability in order to address business disruption events and mitigate associated risks, including those relating to operation of the Chorus Group's network and IT systems and those of third parties on which it relies. However, no assurance can be provided that a major failure will not occur requiring significant and additional unexpected expenditure. Any interruption to the operations of the Chorus Group's network could result in lost revenue, additional capital expenditure requirements, higher operating costs, damage to the Chorus Group's reputation and liability to customers. If failures occur in the new UFB network, it may significantly affect end-consumer perceptions of the reliability of the network and result in lower fibre uptake.

*The Chorus Group may require significant capital resources to fund its business*

The Chorus Group has large funding requirements related to the construction of its new fibre network. The Chorus Group's ability to maintain an appropriate capital structure for its financial profile, either by refinancing debt on favourable terms or by raising new debt, may be adversely affected if it experiences a decline in its operating performance or revenues, there is a material and unexpected increase in capital expenditure, if financial market conditions are volatile or if it is unable to maintain its credit rating.

This could limit the Chorus Group's access to funding and/or increase its funding costs.

**Risks relating to the Chorus Group's customer base and the market for its products and services**

*Demand for the Chorus Group's services may decrease as a result of market factors*

The Chorus Group's revenue may reduce from any one or more factors, including an increase in the number of customers and/or end-consumers:

- using lines provided by third parties instead of those provided by the Chorus Group, including the lines of other LFCs in UFB candidate areas not awarded to the Chorus Group in the New Zealand Government's UFB network build. This exposes the Chorus Group to increased fixed line competition in those areas, as the LFCs look to take market share within the fixed line access market by entering into contracts with RSPs to migrate end-consumers over time from the Chorus Group's copper based products and services to the LFC fibre based products and services. As the LFCs complete their networks and attract customers, the Chorus Group is likely to lose market share and revenue in those areas as end-consumers disconnect from the copper network. Material loss of market share and any resulting material loss of revenue would likely to have an adverse impact on the Chorus Group's earnings and profitability;
- using mobile or other technologies instead of the Chorus Group's lines, or shifting to lower cost services provided by the Chorus Group. If such substitution continues within the New Zealand market, the Chorus Group could experience a decline in the total number of fixed access lines across both the copper and fibre access network. This in turn could have an adverse impact on the Chorus Group's revenue and profitability; and/or
- using other alternative infrastructure and services instead of those provided by the Chorus Group.

The above risk factors either individually or in combination may reduce the Chorus Group's revenues, increase its costs or otherwise adversely impact its financial position and performance. These risks could be increased if the Chorus Group fails to deliver adequate performance and an appropriate experience to its customers and end-consumers.

#### *Concentration of the customer base*

The Chorus Group has a concentrated customer base consisting predominantly of a small number of RSPs. The concentration of the Chorus Group's customer base heightens the risk that a dispute with a customer, or a customer's failure to pay for services (whether as a result of a dispute or a customer experiencing financial difficulty), will have a material adverse effect on the Chorus Group's cash flow and financial position.

#### *Future carrying value of assets*

Assessing the appropriateness of useful life and residual value estimates of network assets requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Chorus Group, technological advances, regulation and expected disposal proceeds from the future sale of the asset.

At the date of this Information Memorandum, the regulatory environment continues to have a significant impact on the operating environment of the Chorus Group, including its future cash flows. Changes in regulation, as well as volatility in uptake of fibre and demand for the Chorus Group's services, may result in impairments or write downs of the carrying value of the Chorus Group's assets. If realised, these outcomes may reduce the Chorus Group's earnings performance over time and weaken its balance sheet.

#### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that

have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Prior to their maturity, the secondary market value of Notes may also be influenced by many factors including, without limitation, the operating performance of the Chorus Group, prevailing interest rates, market sentiment or risk aversion generally.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes and the Original Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease:

- (i) the Investor's Currency-equivalent yield on the Notes;
- (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and
- (iii) the Investor's Currency-equivalent market value of the Notes.

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

#### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

#### *Inflation risk*

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

#### *Global financial turmoil has in the past led to volatility in international capital markets which may adversely affect the market price of the Notes*

Global financial turmoil has in the past resulted in substantial and continuing volatility in international capital markets. Any future deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of the Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The rating(s) (if any) of the Notes will be specified in the applicable Pricing Supplement. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

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

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

*An issue may not proceed*

The Issuer may decide not to proceed with an issue of Notes under the Programme. Where this is the case, the investor will have no rights against the Issuer or the Guarantors in relation to any expense incurred or loss suffered.

#### **Risks related to Notes generally**

*Notes may not be a suitable investment for all investors*

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each investor should have (either alone or with the help of a financial adviser):

- (i) sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes, and the information contained in this Information Memorandum and any applicable supplement or Pricing Supplement;
- (ii) access to, and knowledge of, appropriate analytical tools to evaluate the merits and risks an investment in the Notes and the impact the Notes will have on its overall investment portfolio in the context of its particular circumstances;
- (iii) sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) a thorough understanding of the terms and conditions of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) the ability to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect an investment in the relevant Notes and its ability to bear the applicable risks; and
- (vi) the expertise to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact on the investor's overall investment portfolio.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex



financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios.

Particular issues of Notes may not be an appropriate investment for investors who are inexperienced with respect to:

- (i) the applicable interest rate indices, currencies, other indices or formulas, or redemption or other rights or options; and
- (ii) investments where the amount of principal and/or interest payable (if any) is based on the price, value, performance or some other factor and/or the creditworthiness of one or more entities; or investments where a currency of payment and the investor's currency are different.

#### *Events of Default*

Before the Trustee can accelerate the Notes following the occurrence of certain Events of Default, it must certify that the occurrence of such event is materially prejudicial to the interests of the Noteholders.

#### *Modification, waivers and substitution*

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and investors who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, Receiptholders or Couponholders, agree to:

- (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes, the Conditions, the Agency Agreement or the Trust Deed, or determine that any Event of Default or Potential Event of Default shall not be treated as such; or
- (ii) any modification which is of a formal or minor or technical nature or is made to correct a manifest error; or
- (iii) the substitution of the Original Guarantor or any other Subsidiary as principal debtor under the Trust Deed and in relation to the Notes, Receipts and Coupons of any Series in place of the Issuer, in the circumstances described in Condition 18(c).

#### *Change of law*

The conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the Issue Date of the relevant Notes.

Changes in law, including a change to the Issuer's legal status, control or tax residence and changes to the law governing the Notes, may alter the rights of investors from those at the time of the issue and may impact on the ability of an investor to enforce its rights as they existed at the Issue Date.

Further, changes in governmental policy and regulation may also have an impact on the Issuer and/or the Guarantors. In addition to changes in laws and regulations, the policies and practices of government regulators may change and political and diplomatic developments may have an unexpected or adverse impact on the terms and conditions of the Notes.

*Notes where denominations involve integral multiples: Definitive Notes*

In relation to Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such case an investor who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

*The Guarantees provided by the Guarantors may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability*

The Guarantees given by the Guarantors provide holders of Notes with a direct claim against the relevant Guarantor in respect of the Issuer's payment obligations under the Notes. Enforcement of each Guarantee would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, liability in tort, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find a Guarantee given by a Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defences, holders would cease to have any claim in respect of that Guarantor and would be creditors solely of the Issuer and any remaining Guarantors and, if payment had already been made under the relevant Guarantee, the court could require that the recipient return the payment to the relevant Guarantor.

**Risks related to a particular issue of Notes**

The risks of a particular Note will depend on the terms of the relevant Note, but may include, without limitation, the possibility of significant changes in:

- (i) the values of the applicable currencies, commodities, interest rates or other indices or formulae; or
- (ii) the price, value, performance or any other applicable factor relating to one or more securities, assets or other property; or
- (iii) the creditworthiness of entities other than the Issuer or the Guarantors.

Such risks generally depend on factors over which the Issuer and the Guarantors have no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant currencies, commodities, securities, assets or other property. Neither the current nor the historical price, value or performance of:

- (i) the relevant currencies, commodities, interest rates or other indices or formulae; or
- (ii) the relevant classes of securities, assets or other property; or
- (iii) the relevant entities,

should be taken as an indication of future price, value or performance during the term of any Note.

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

*Notes subject to optional redemption by the Issuer*

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

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

*The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks*

So-called benchmarks such as the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" (each a "**Benchmark**" and together, the "**Benchmarks**"), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause the relevant benchmarks to perform differently than in the past, or have other consequences which may have a material adverse effect on the value of and the amount payable under the Notes.

International proposals for reform of Benchmarks include the European Council's Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") which was published in the Official Journal on 29 June 2016. In addition to the aforementioned regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks.

For example, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). In a further speech on 12 July 2018, the FCA emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021, which indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate).

The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the interest provisions of the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR (or such other benchmark) which may, depending on the manner in which the LIBOR (or such other) benchmark is to be determined under the terms and conditions, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR (or such other benchmark) was available). Any such consequence could have a material adverse effect on the value of and return on any such Notes.

#### *Dual Currency Notes*

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated.

Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero, so they may lose all or a substantial portion of their principal.

#### *Partly Paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

#### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

#### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating

rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

An investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of such fixed rate notes. Increases in relevant interest rates may adversely affect the market value of the Notes.

*Notes issued at a substantial discount or premium*

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

**Legal considerations relating to an investment in Notes**

The investment activities of certain investors are or may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult their legal advisers to determine whether and to what extent:

- (i) Notes are legal investments for it;
- (ii) Notes can be used as collateral for various types of borrowing; and
- (iii) other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

## FORMS OF THE NOTES

### Bearer Notes

Each Tranche of Bearer Notes will initially be in the form of either a temporary bearer global note (the "**Temporary Global Note**"), without interest coupons, or a permanent bearer global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Bearer Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system, and each Global Bearer Note which is intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### Temporary Global Note exchangeable for Permanent Global Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by

the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

- (a) on the expiry of such period of notice as may be specified in the Pricing Supplement; or
- (b) at any time, if so specified in the Pricing Supplement; or
- (c) if the Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 14 (*Events of Default and Enforcement*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Bearer Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bearer Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Bearer Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Bearer Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Bearer Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed).

#### **Temporary Global Note exchangeable for Definitive Bearer Notes**

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Bearer Notes" and also specify that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Bearer Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Bearer Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Bearer Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Bearer Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bearer Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Bearer Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Bearer Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Bearer Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed).



### **Permanent Global Note exchangeable for Definitive Bearer Notes**

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Bearer Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Bearer Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 14 (*Events of Default and Enforcement*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Bearer Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bearer Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Bearer Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Bearer Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Bearer Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed).

### **Registered Notes**

The Registered Notes of each Tranche will initially be represented by a global note in registered form, without Receipts or Coupons, (a "**Registered Global Note**") which will be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of a Registered Global Note will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 12(C)) as the registered holder of the Registered Global Note. None of the Issuer, the Trustee, the Guarantors, any Paying Agent or the Registrar will have any responsibility

or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in any Registered Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred, (ii) the Issuer has been notified that Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system acceptable to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered or required were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar and the Trustee requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

#### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Bearer Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplements, amends and/or replaces those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

#### **Legend concerning United States persons**

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1. Introduction

- (a) *Programme:* Chorus Limited (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$2,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Chorus New Zealand Limited (the "**Original Guarantor**") and certain other subsidiaries of the Issuer from time to time (together with the Original Guarantor, the "**Guarantors**").
- (b) *Pricing Supplement:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.
- (c) *Trust Deed:* The Notes are constituted by, are subject to, and have the benefit of, an amended and restated trust deed dated 10 April 2019 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, the Original Guarantor and The Law Debenture Trust Corporation p.l.c. as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) *Paying Agency Agreement:* The Notes are the subject of an amended and restated issue and paying agency agreement dated 28 September 2016 (the "**Paying Agency Agreement**") between, amongst others, the Issuer, the Original Guarantor, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as transfer agent (together with the Paying Agents, the "**Agents**") and the Trustee.
- (e) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement and may be issued in bearer or registered form. Copies of the relevant Pricing Supplement are available for viewing at Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf London E14 5LB, United Kingdom and copies may be obtained from Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf London E14 5LB, United Kingdom.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Trust Deed and the Paying Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Paying Agency Agreement applicable to them. Copies of the Trust Deed and the Paying Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

(a) *Definitions:* In these Conditions the following expressions have the following meanings:

**"Accrual Yield"** has the meaning given in the relevant Pricing Supplement;

**"Additional Business Centre(s)"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Additional Financial Centre(s)"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Asset"** shall include an interest in, or in the assets of, any joint venture, partnership or similar venture (whether or not incorporated) in which any one or more of the Issuer and the Guarantors are participant(s);

**"Borrowed Moneys Indebtedness"** means:

- (a) indebtedness for moneys borrowed;
- (b) indebtedness in respect of guarantees or similar indemnities;
- (c) acceptance credits;
- (d) indebtedness in respect of negotiable instruments;
- (e) money owing in respect of interest rate and cross-currency swaps; and
- (f) payments under rental or lease arrangements entered into primarily for the purpose of raising or obtaining finance;

**"Business Day"** means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be 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 will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

- (d) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means, in relation to the Notes of any Series, the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

**"Calculation Amount"** has the meaning given in the relevant Pricing Supplement;

**"Coupon Sheet"** means, in respect of a Bearer Note, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant 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 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 (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
  - (iii) if **"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 (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (iv) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

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 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";

if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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; and

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

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

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,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

**"Early Redemption Amount (Tax)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"Early Termination Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

**"Extraordinary Resolution"** has the meaning given to it in the Trust Deed;

**"Final Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"First Interest Payment Date"** means the date specified in the relevant Pricing Supplement;

**"Fixed Coupon Amount"** has the meaning given in the relevant Pricing Supplement;

"**Group**" has the meaning given to it in the Trust Deed.

"**Guarantee of the Notes**" means the guarantee of the Notes given by the Guarantors in the Trust Deed;

"**Initial Rate of Interest**" means the Rate of Interest applicable with respect to the first Interest Period;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means in relation to any interest-bearing Note, the date specified in the relevant Pricing Supplement from which the Note bears interest or, if no date is specified therein, the Issue Date;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Noteholder**" and (in relation to a Note) "**holder**" means (in the case of a Bearer Note) the bearer of a Note and (in the case of a Registered Note) a person in whose name the Note is registered in the Register (or in the case of joint holders the first named thereof) save that, for so long as the Notes of any Series are represented by a Global Note each person who has for the time being a particular principal amount of such Notes credited to



his securities account in the records of Clearstream, Luxembourg or Euroclear shall be deemed to be the Noteholder in respect of the principal amount of such Notes for all purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, solely in the bearer, in the case of a Bearer Note in Global Note form, or registered holder in the case of a Registered Global Note in accordance with and subject to the terms of the Trust Deed and such Global Note;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Pricing Supplement;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Pricing Supplement;

**"Participating Member State"** means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which commercial banks and foreign exchange markets settle payments in any Additional Financial Centre(s) specified herein; and
  - (ii) a TARGET Settlement Day; or
- (b) if the currency of payment is not euro, any day on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means Wellington and Auckland;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or

calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

**"Reference Banks"** has the meaning given 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 Price"** has the meaning given in the relevant Pricing Supplement;

**"Reference Rate"** has the meaning given in the relevant Pricing Supplement;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (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 Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such 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;

**"Reserved Matter"** means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the

Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment;

- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, the Guarantor or any other person or body corporate formed or to be formed (other than as permitted under Clause 8.3 of the Trust Deed);
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to modify any provision of the guarantee of the Notes (other than as permitted under Clause 8.3 of the Trust Deed);
- (e) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution; or
- (f) to amend this definition;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction, but not including a security interest in relation to personal property that is created or provided for by:

- (i) a transfer of an account receivable or chattel paper;
- (ii) a lease for a term of more than one year; or
- (iii) a commercial consignment,

that does not secure payment or performance of an obligation;

**"Specified Currency"** has the meaning given in the relevant Pricing Supplement;

**"Specified Denomination(s)"** has the meaning given in the relevant Pricing Supplement;

**"Specified Office"** has the meaning given in the Paying Agency Agreement;

**"Specified Period"** has the meaning given in the relevant Pricing Supplement;

**"Subsidiary"** means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

**"Talon"** means a talon for further Coupons;

**"TARGET2"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**"TARGET Settlement Day"** means any day on which TARGET2 is open for the settlement of payments in euro;

**"Total Tangible Assets"** has the meaning given to it in the Trust Deed;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes;
- (viii) any reference to the Trust Deed or the Paying Agency Agreement shall be construed as a reference to the Trust Deed or the Paying Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (ix) any reference to a provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

### 3. **Form, Denomination and Title**

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

All Registered Notes shall have the same Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Instalment Note, a Dual Currency Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Paying Agency Agreement. The Issuer, the Guarantors, the Trustee and any Agent may deem and treat the bearer of any Bearer Note or Registered Note as the absolute owner thereof free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Bearer Note or Registered Note (whether or not such Bearer Note or Registered Note shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or, as the case may be, the registered holder of the Registered Global Note shall be treated by the Issuer, the Guarantors, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Guarantors, the Principal Paying Agent and the Trustee (whether specified in the applicable Pricing Supplement or otherwise).

#### 4. **Transfers of Registered Notes**

- (a) *Transfers of interests in Registered Global Notes:* Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Paying Agency Agreement.
- (b) *Transfers of Registered Notes in definitive form:* A Registered Note in definitive form may, upon the terms and subject to the conditions set forth in the Trust Deed, be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any

Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

- (c) *Costs of registration:* Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.
- (d) *Closed Periods:* The Issuer shall not be required:
  - (i) in the event of a partial redemption of Notes under Condition 11(d):
    - (A) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 65<sup>th</sup> day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or
    - (B) to register the transfer of any Registered Note, or part of a Registered Note, called for redemption; or
  - (ii) to register the transfer of Registered Notes (or parts of Registered Notes) (A) during the period of 10 Business Days in London immediately prior to any Record Date in respect of that Note or (B) during the period commencing on the Record Date in respect of the final Interest Payment Date in respect of that Note and ending on such Interest Payment Date.

## 5. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes constitute direct and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Guarantee of the Notes:* The Guarantors have in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed in respect of the Notes, Receipts or Coupons. This Guarantee of the Notes constitutes direct and unconditional obligations of each Guarantor which will at all times rank at least *pari passu* with all other present and future

unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

6. **Negative Pledge**

- (a) Save as provided herein and in paragraph (b) below, so long as any of the Notes remain outstanding (as defined in the Trust Deed) the Issuer and the Guarantors will not create or permit to exist any Security Interest over any of their respective Assets to secure any indebtedness or liabilities (direct or contingent) for Borrowed Moneys Indebtedness unless the Issuer or the relevant Guarantor, as the case may be, shall simultaneously with or prior to the creation of such Security Interest, take or procure to be taken any and all action necessary to procure that the benefit of the Security Interest is extended equally and rateably to the Notes, provided that this covenant shall not apply to, and accordingly the Issuer and any of the Guarantors shall be at liberty to create or permit to exist without breach hereof, any Security Interest:
- (i) arising by operation of law or statute in the ordinary course of business, or securing taxes or other governmental or regulatory levies, duties or imposts, or any Security Interest in the nature of a contractor's, supplier's or vendor's lien, so long as (in each of the foregoing cases) the payment of the money secured thereby is not in default or the liability therefor of the Issuer or the relevant Guarantor is being contested by appropriate proceedings; or
  - (ii) created over any Asset acquired, constructed, repaired, maintained or improved, for the sole purpose of financing or refinancing the cost of such acquisition, construction, repair, maintenance or improvement, or over the land upon which such Asset is situated, provided that any Security Interest created pursuant to this paragraph:
    - (A) secures no more than the fair value of the Asset (as acquired, constructed, maintained or improved) as at the time such Security Interest is created; and
    - (B) does not secure Borrowed Money Indebtedness owed to Crown Infrastructure Partners Limited; or
  - (iii) over any Assets of the Subsidiary which becomes a Guaranting Subsidiary after the date of the Trust Deed, which existed, or which such Subsidiary was contractually bound to enter into, at the date it became a Guaranting Subsidiary and which was not created in anticipation of such Subsidiary becoming a Guaranting Subsidiary; or
  - (iv) over any Assets acquired by the Issuer or the relevant Guarantor after the date of the Trust Deed, which existed at the date of, and was not created in anticipation of, the acquisition thereof by the Issuer or the relevant Guarantor concerned; or
  - (v) created or permitted to exist over the whole or any part of its right, title or interest (whether by way of shareholding, partnership share or otherwise) in, or in the Assets of, any joint venture, partnership or similar venture (whether or not incorporated) the sole purpose of which is the development or exploitation of a project (a "**Project Venture**"), to secure Borrowed Moneys Indebtedness incurred by the Issuer or the relevant Guarantor in connection with its interest in such Project Venture and created or permitted to exist only in favour of a participant or participants therein, provided no such participant is Crown Infrastructure Partners Limited; or
  - (vi) over Assets of the Issuer or the relevant Guarantor comprising cash, deposits, financial instruments or other monetary Assets, where such Security Interest does not extend to other Assets of the Issuer or the relevant Guarantor and is created to secure new borrowings or indebtedness undertaken or incurred to raise or

acquire such cash, deposits, instruments or other monetary Assets and the giving of such Security Interest is consistent with ordinary banking or business principles or practices then current and applicable in the relevant market and/or jurisdiction in relation to indebtedness of that nature; or

- (vii) created in substitution for any Security Interest otherwise permitted hereunder; or
  - (viii) in favour of the Issuer or the relevant Guarantor provided that the Issuer or the relevant Guarantor, as the case may be, in whose favour it is created retains at all times the sole beneficial ownership of and all rights, powers and benefits in relation to such Security Interest; or
  - (ix) created with the prior written consent of the Trustee after, if the Trustee so requires, approval by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- (b) Notwithstanding the provisions of paragraph (a) above, the Issuer/Guarantor(s) may, in addition to and separately from the Security Interests permitted under paragraph (a) above, create or permit to exist any Security Interest of any nature over any of its or their Assets to secure any Borrowed Moneys Indebtedness if and to the extent that the aggregate principal amount of the Borrowed Moneys Indebtedness so secured by all such Security Interests created or permitted to subsist by this paragraph (b) (but other than any Security Interests attaching only to Assets which are not included in the Total Tangible Assets of the Group) does not exceed five per cent of the Total Tangible Assets of the Group.

#### 7. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Initial Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.



- (e) *Step-up rate of interest:* If this Condition 7(e) is specified as applicable in the applicable Pricing Supplement, the Rate of Interest will be the Initial Rate of Interest specified in the applicable Pricing Supplement. The Initial Rate of Interest shall be subject to adjustment (each such adjustment, a "**Rate Adjustment**") in the event of a Step-up Rating Change (if any) or a subsequent Step-down Rating Change (if any), as the case may be, in accordance with the following provisions. Any Rate Adjustment shall apply in respect of the Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step-up Rating Change or Step-down Rating Change, as the case may be, until either a further Rate Adjustment becomes effective or the date of redemption, as the case may be.

For any Interest Period commencing on or after the first Interest Payment Date immediately following the date of a Step-up Rating Change, if any, the Rate of Interest shall be increased by the Ratings Downgrade Step-up Margin specified in the applicable Pricing Supplement.

In the event that a Step-down Rating Change occurs after the date of a Step-up Rating Change (or on the same date but subsequent thereto), then for any Interest Period commencing on the first Interest Payment Date following the date of such Step-down Rating Change, the Rate of Interest shall be the Initial Rate of Interest.

The Issuer shall use all reasonable efforts to maintain credit ratings for Notes issued, or to be issued, by it from both Rating Agencies (as defined below). In the event that either Rating Agency fails to or ceases to assign a rating to Notes issued, or to be issued, by the Issuer, the Issuer shall use all reasonable efforts to obtain a rating of Notes issued, or to be issued, by it from a Substitute Rating Agency (as defined below), and references in this Condition 7(e) to Moody's or S&P Global (each as defined below), as the case may be, or the ratings thereof, shall be to such Substitute Rating Agency or, as the case may be, the equivalent ratings thereof. In the event that such a rating is not obtained from a Substitute Rating Agency, then, for the purposes of the foregoing adjustments to the Rate of Interest, the ratings assigned by the remaining Rating Agency shall be deemed also to be the ratings assigned by the other Rating Agency.

In the event that both Rating Agencies fail to or cease to assign a rating to Notes issued, or to be issued, by the Issuer and the Issuer fails to obtain a rating of Notes issued, or to be issued, by it from a Substitute Rating Agency, a Step-up Rating Change will be deemed to have occurred on the date of such failure but not otherwise. If a rating of Notes issued, or to be issued, by the Issuer is subsequently assigned by one or more Rating Agencies or a Substitute Rating Agency, then if such rating (or ratings if more than one) is at least *Baa3*, in the case of Moody's, or at least *BBB-*, in the case of S&P Global, or the equivalent ratings in the case of a Substitute Rating Agency, a Step-down Rating Change will be deemed to have occurred on the date of such assignment.

The Rate of Interest will only be subject to adjustment due to a Step-up Rating Change or a deemed Step-up Rating Change as provided above upon the first occurrence on or after the Interest Commencement Date of a Step-up Rating Change and may occur only once. An adjustment to the Rate of Interest following the occurrence of a Step-down Rating Change or a deemed Step-down Rating Change as provided above may only occur once and, in any event, only after the occurrence of the Step-up Rating Change.

The Issuer shall cause each Rating Change (if any) and the applicable Rate of Interest to be notified to the Principal Paying Agent, the Trustee, any stock exchange on which the relevant Notes are for the time being listed and the Noteholders (in accordance with Condition 20) as soon as practicable after such Rating Change.

In this Condition:

**"Rating Agencies"** means Moody's Investor Service Limited ("**Moody's**") and S&P Global Ratings, a division of S&P Global Inc. ("**S&P Global**"), any of their successors and any Substitute Rating Agency;

**"Rating Change"** means a Step-up Rating Change and/or a Step-down Rating Change;

**"Step-down Rating Change"** means, subject as provided above in relation to a deemed Step-down Rating Change, the first public announcement after a Step-up Rating Change by both Rating Agencies of an increase in, or confirmation of, the rating of Notes issued, or to be issued, by the Issuer to at least *Baa3*, in the case of Moody's, and to at least *BBB-*, in the case of S&P Global. For the avoidance of doubt, any further increases in the credit rating of Notes issued, or to be issued, by the Issuer above *Baa3*, in the case of Moody's, or above *BBB-*, in the case of S&P Global, shall not constitute a Step-down Rating Change;

**"Step-up Rating Change"** means, subject as provided above in relation to a deemed Step-up Rating Change, the first public announcement by either or both Rating Agencies of a decrease in the rating of Notes issued, or to be issued, by the Issuer to below *Baa3*, in the case of Moody's, or below *BBB-*, in the case of S&P Global. For the avoidance of doubt, any further decrease in the credit rating of Notes issued, or to be issued, by the Issuer below *Baa3*, in the case of Moody's, or below *BBB-*, in the case of S&P Global, shall not constitute a Step-up Rating Change;

**"Substitute Rating Agency"** means a rating agency of equivalent international standing by the Issuer;

- (f) *Minimum Volume/Coupon Step-up:* If this Condition 7(f) is specified as applicable in the applicable Pricing Supplement the Rate of Interest applicable to the Notes shall be subject to adjustment in accordance with the applicable Pricing Supplement.

## 8. Floating Rate Note Provisions

- (a) *Application:* This Condition 8 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Initial Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *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 will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.
- (h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 9. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums

due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

#### 10. Dual Currency Note Provisions

- (a) *Application:* This Condition 10 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

#### 11. Redemption and Purchase

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 12 (*Payments*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or
  - (i) on any Interest Payment Date (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

- (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of New Zealand or any political subdivision or any authority thereof or therein having power to tax (including, without limitation, any increase in the rate of Approved Issuer Levy payable pursuant to the Stamp and Cheque Duties Act 1971 (NZ)), or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (but not including paying the increased amount of Approved Issuer Levy); or
- (B) (1) a Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of New Zealand or any political subdivision or any authority thereof or therein having power to tax (including, without limitation, any increase in the rate of Approved Issuer Levy payable pursuant to the Stamp and Cheque Duties Act 1971 (NZ)), or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it (but not including paying the increased amount of Approved Issuer Levy),

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the relevant Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 11(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11.

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 11(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 11(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 11(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit a duly completed Put Option Notice in the form obtainable from the Paying Agent and, in the case of a Put Option Notice relating to Definitive Notes, such Definitive Notes with any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice

in accordance with this Condition 11(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of such Definitive Note, the payment of such redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 11(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference 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 such 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 shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 11(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) *Purchase:* The Issuer, a Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** (in the case of Bearer Notes) all unmatured Coupons are purchased therewith.
- (i) *Cancellation:* All Notes so redeemed or purchased by the Issuer, a Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or sold.

## 12. **Payments**

### **(A) Payments Generally**

- (a) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (b) *Payments subject to fiscal laws:* Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 13 (*Taxation*)) any law implementing an intergovernmental approach thereto.

- (c) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (d) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon or, in the case of Registered Notes, record upon the Register a statement indicating the amount and date of such payment.

**(B) Payments in respect of Bearer Notes**

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (f) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Deductions for unmatured Coupons:* If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; and
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.



- (d) *Unmatured Coupons void:* If the relevant Pricing Supplement specifies that this Condition 12(B)(d) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 11(b) (*Redemption for tax reasons*), Condition 11(e) (*Redemption at the option of Noteholders*), Condition 11(c) (*Redemption at the option of the Issuer*) or Condition 14 (*Events of Default and Enforcement*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
  - (e) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
  - (f) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
  - (g) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
  - (h) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.
- (C) *Payments in respect of Registered Notes***
- (a) *Principal:* Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the Specified Office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the fifteenth day (being for the purpose of this paragraph (a) a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Wellington respectively) and (in the case of a payment in euro) any bank which processes payments in euro.
  - (b) *Interest:* Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be

made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Note.

### 13. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or a Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of New Zealand or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the relevant Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
- (i) held by or on behalf of a holder in respect of which the liability to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon arises by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) presented for payment in New Zealand if such withholding or deduction would not have been required if the Note or Coupon was presented for payment outside New Zealand; or
  - (iii) where such withholding or deduction is for or on account of New Zealand resident withholding tax; or
  - (iv) held by or on behalf of a holder which is associated with the Issuer or the relevant Guarantor for the purposes of the Approved Issuer Levy or non-resident withholding tax rules in the Income Tax Act 2007 of New Zealand or which holds the Note or Coupon or derives the interest jointly with a New Zealand resident; or
  - (v) where the relevant Note or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.
- (b) *Resident Withholding Tax:* The Issuer or the Guarantors (as applicable) are required by law to deduct New Zealand resident withholding tax from the payment of interest to the holder of any Note on any Interest Payment Date or the Maturity Date, if:

- (i) the holder is a resident of New Zealand for income tax purposes or otherwise receives payments of principal or interest from the Issuer or a Guarantor subject to the New Zealand resident withholding tax rules (a "**New Zealand Holder**"); and
- (ii) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes (and otherwise does not have exempt status for New Zealand resident withholding tax purposes).

Prior to any Interest Payment Date or Maturity Date any New Zealand Holder:

- (i) must notify the Issuer or the Guarantors (as applicable) or a Paying Agent that the New Zealand Holder is the holder of a Note; and
- (ii) must notify the Issuer or the Guarantors (as applicable) or a Paying Agent of any circumstances, and provide the Issuer or the Guarantors (as applicable) or the relevant Paying Agent with any information, that may enable the Issuer or the Guarantors (as applicable) to make the payment of interest to the New Zealand Holder without deduction on account of a New Zealand resident withholding tax.

A New Zealand Holder must notify the Issuer and the Guarantors (as applicable), prior to any Interest Payment Date or the Maturity Date, of any change in the New Zealand Holder's circumstances from those previously notified that could affect the Issuer's or a Guarantor's payment or withholding obligations in respect of any Note. By accepting payment of the full face amount of a Note or any interest thereon on any Interest Payment Date or Maturity Date, a New Zealand Holder will be deemed to have indemnified the Issuer or the Guarantors (as applicable) for all purposes in respect of any liability which the Issuer or the Guarantors (as applicable) may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

- (c) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than New Zealand, references in these Conditions to New Zealand shall be construed as references to New Zealand and/or such other jurisdiction.

#### 14. **Events of Default and Enforcement**

If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee in each case, being indemnified and/or secured and/or prefunded to its satisfaction having certified in writing that the happening of any of the events described in paragraphs (c), (d), (f) and (in the case of any event having an analogous effect to any of the foregoing) (g) below, is in its opinion materially prejudicial to the interests of the Noteholders) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality:

- (a) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or
- (b) the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer or the relevant Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) any Borrowed Moneys Indebtedness of the Issuer or any Guarantor exceeding NZ\$10,000,000 (in aggregate) or its equivalent in any other currency is not repaid

on its original maturity date (or within any applicable grace periods), or becomes due and payable by reason of default before its original maturity date, other than where contested in good faith by appropriate proceedings; or

- (d) the Issuer or any Guarantor is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the readjustment or rescheduling of its indebtedness generally, or makes a general assignment for the benefit of or an arrangement or composition with or for the benefit of its creditors; or
- (e) any order is made by any competent court or an effective resolution is passed or legislation is enacted for the liquidation, winding up or dissolution of the Issuer or any Guarantor, or a statutory manager is appointed in respect of the Issuer or any Guarantor under the Corporations (Investigations and Management) Act 1989 of New Zealand or any analogous or replacement legislation, or any analogous proceedings are taken in respect of the Issuer or any Guarantor, or the Issuer or any Guarantor ceases or threatens in writing to cease to carry on the whole or substantially the whole of its business, other than for the purposes of a reconstruction, amalgamation or reorganisation where the Issuer or the relevant Guarantor, as the case may be, is solvent and which (except in the case of an amalgamation with, or the distribution of Assets to, another Guarantor or Guarantors) has been approved by the Trustee; or
- (f) an encumbrancer takes possession or a receiver is appointed of the whole or any material part of the Assets or undertaking of the Issuer or any Guarantor, or a distress or execution in an amount exceeding NZ\$10,000,000 (or its equivalent in any other currency) is levied or enforced upon or sued out against all or any material part of the Assets or undertaking of the Issuer or any Guarantor, except where the same is discharged or stayed within 30 days of commencement or is contested by the Issuer or such Guarantor in good faith by appropriate proceedings; or
- (g) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in the foregoing paragraphs.

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer and/or a Guarantor as it may think fit to recover any amounts due in respect of the Notes which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions but it shall not be bound to do so unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in principal amount of the outstanding Notes, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

#### **15. Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest (whether in respect of Bearer Notes or Registered Notes) shall become void unless the relevant Notes, Receipts, or Coupons are presented for payment within, in the case of Bearer Notes, five years or, in the case of Registered Notes ten years, of the appropriate Relevant Date.

#### **16. Replacement of Notes and Coupons**

If any Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Replacement Agent (in the case of Bearer Notes, Receipts, Talons or Coupons) or the Registrar (in the case of Registered Notes)

(and, in each case, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Talons or Coupons must be surrendered before replacements will be issued.

**17. Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer, a Guarantor and any entity relating to the Issuer or a Guarantor without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Paying Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantors and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents, Transfer Agents and Registrars and their initial Specified Offices are listed below. The initial Calculation Agent (if differing from the Calculation Agent appointed pursuant to clause 13 of the Paying Agency Agreement) is specified in the relevant Pricing Supplement. The Issuer and the Guarantors (acting together) reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, other paying agent, registrar or calculation agent and additional or successor paying agents or registrars; **provided, however, that:**

- (a) the Issuer and the Guarantors shall at all times maintain a principal paying agent and a registrar;
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer and the Guarantors shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) in any particular place, the Issuer and the Guarantors shall maintain a Paying Agent and/or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

**18. Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an

Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantors (acting together) or by the Trustee, and shall be convened by the Trustee subject to its being indemnified and/or secured and/or pre-funded to its satisfaction upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes. The quorum at any Meeting convened to vote on an Extraordinary Resolution will be two or more Voters holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Voters being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one-third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

The Trust Deed provides that (i) a written resolution signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting (a "**Written Resolution**") or (ii) where Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer, a Guarantor or the Trustee given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting (an "**Electronic Consent**") shall, in each case for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders, concur with the Issuer and the Guarantors in making any modification of these Conditions, the Paying Agency Agreement, the Notes or the Trust Deed (other than in respect of Reserved Matters or any provision of the Trust Deed referred to in such specification) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of these Conditions, the Paying Agency Agreement, the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders on such terms and conditions (if any) as shall seem expedient to it, authorise or waive any proposed breach or breach of any of the covenants or provisions contained in the Receipts, Coupons or Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Deed if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

If the Trustee so requires, the Issuer shall cause such authorisation, waiver or determination to be notified to the Noteholders as soon as practicable thereafter.

- (c) *Substitution:* The Trust Deed contains provisions under which the Trustee may, without the consent of the Noteholders, the Receiptholders or the Couponholders, agree to the substitution in place of the Issuer of a Guarantor or any other Subsidiary as principal debtor under the Trust Deed and in relation to the Notes, Receipts or Coupons of any Series **provided that** certain conditions specified in the Trust Deed are fulfilled.

No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or Couponholder, except to the extent provided for in Condition 13 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

**19. Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

**20. Notices**

All notices regarding the Bearer Notes will be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that any such newspaper publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any Stock Exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers or where published in such newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding Registered Notes will be deemed to be validly given if sent by first class mail (or its equivalent) or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are admitted to trading on a Stock Exchange and the rules of that Stock Exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Notes are issued, there may, so long as the notes are represented in their entirety by any Global Note held on behalf of Euroclear or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a Stock Exchange or admitted to trading by any other relevant authority and the rules of that Stock Exchange, or as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to Euroclear or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent (in the case of the Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the relevant Principal Paying Agent or the Registrar through Euroclear or Clearstream, Luxembourg as the case may be, in such manner as the relevant Principal Paying Agent, the Registrar and Euroclear or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent or Registrar (as applicable), against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) *English courts:* Each of the Issuer and the Guarantors has in the Trust Deed agreed for the benefit of the Trustee and the Noteholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* Each of the Issuer and the Guarantors agrees that the courts referred to in Condition 23(b) (*English courts*) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (d) *Rights of Noteholders to take proceedings outside England:* Nothing in this Condition 23 (*Governing Law and jurisdiction*) or the Trust Deed prevents the Trustee or any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any Noteholders may take concurrent Proceedings in any number of jurisdictions.

24. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999.



## FORM OF PRICING SUPPLEMENT

*The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.*

### **[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY**

**TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the 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. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]<sup>1</sup>

**PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU as amended ("**MiFID II**")][MiFID II]; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), 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 Directive 2003/71/EC (as amended or superseded)]. 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.

[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] / [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] 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.)<sup>2</sup>

**Pricing Supplement dated [•]**

**Chorus Limited**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**Guaranteed by Chorus New Zealand Limited**

**under the U.S.\$2,000,000,000**

**Euro Medium Term Note Programme**

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<sup>1</sup> To be included where any of the Managers are acting as MiFID II manufacturers.

<sup>2</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Information Memorandum dated 10 April 2019. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Information Memorandum [and the supplemental Information Memorandum dated [date]].

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Information Memorandum with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Information Memorandum dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Information Memorandum dated [current date] [and the supplemental Information Memorandum dated [●]], save in respect of the Conditions save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

Full information on the Issuer, the Original Guarantor and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement [and/,] the Information Memorandum [and the supplement to the Information Memorandum dated *[date of supplement]*]. The Information Memorandum [and such supplement are] [is] available for viewing at Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and copies may be obtained from the registered office of the Issuer being Level 10, 1 Willis Street, Wellington 6011, New Zealand. The Information Memorandum and, in the case of Notes listed on the ASX, the applicable Pricing Supplement, will be made available through the ASX.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]*

1. (i) Issuer: Chorus Limited
  - (ii) Guarantor: Chorus New Zealand Limited
  2. [(i)] Series Number: [•]
  - [(ii)] Tranche Number: [•]
  - (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)
  3. Specified Currency or Currencies: [•]
  4. Aggregate Nominal Amount: [•]
  - [(i)] Series: [•]
  - [(ii)] Tranche: [•]
  5. Issue Price: [•] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
  6. (i) Specified Denominations:<sup>1 2</sup> [ ]
  - (ii) Calculation Amount: [•]
  7. (i) Issue Date: [•]
  - (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
  8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
- [If the notes are Bearer Notes and the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another*

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<sup>1</sup> Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise would constitute a contravention of section 19 of the FSMA and which have a maturity of less than one year, must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

<sup>2</sup> If the specified denomination is expressed to be EUR100,000 or its equivalent and multiples of a lower principal amount (for example EUR1,000), insert the additional wording as follows: EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]. No Notes in definitive form will be issued with a denomination above [EUR199,000]. In relation to any issue of the Notes which are a "Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Notes", such Notes may only be issued in denominations equal to, or greater than, EUR100,000 (or equivalent) and multiples thereof.

*applicable exemption from section 19 of the FSMA must be available.]*

9. Interest Basis:                   [[•] per cent Fixed Rate]  
  
  [[Specify reference rate] +/- [•] per cent Floating Rate]  
  
  [Zero Coupon]  
  
  [Dual Currency]  
  
  (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
  
  [Dual Currency]  
  
  [Partly Paid]  
  
  [Instalment]
11. Change of Interest or            *[Specify details of any provision for convertibility*  
    Redemption/Payment Basis: *of Notes into another interest or redemption/*  
  *payment basis]*
12. Put/Call Options:                [Investor Put]  
  
  [Issuer Call]  
  
  ((further particulars specified below))
13. (i)      Status of the Notes:    Senior  
  
      (ii)     Status      of      the    Senior  
              Guarantee:  
  
      ((iii)) [Date            [Board] [•] [and [•], respectively  
              approval        for        *(N.B. Only relevant where Board (or similar)*  
              issuance of Notes *authorisation is required for the particular*  
              [and      Guarantee] *tranche of Notes or related Guarantee)]*  
              [respectively]]  
              obtained:
14. Method of distribution:        [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed      Rate      Note** [Applicable/Not Applicable]  
    **Provisions**
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i)      Initial Rate[(s)] of    [•] per cent per annum [payable [annually/  
Interest:                    semi-annually/quarterly/monthly/other (specify)]  
                                  in arrear]
- (ii)     Interest      Payment    [•] in each year commencing on [•] up to and  
Date(s):                    including the Maturity Date [adjusted in  
                                  accordance with [specify Business Day  
                                  Convention and any applicable Business

- Centre(s) for the definition of "Business Day"/not adjusted]*
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other, unless no adjustment is required in which case specify "No Adjustment". If nothing is specified there will be no adjustment.*]]
- (iv) Additional Business Centre(s): [Not Applicable/*give details*]
- (v) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (vi) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (vii) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- (ix) Ratings Downgrade Coupon Step-Up (Condition 7(e)) [Applicable/Not Applicable]
- (x) Ratings Downgrade Step-up Margin [•]
- (xi) Minimum Volume Coupon Step-up (Condition 7(f)) [Applicable/Not Applicable]  
[Specify adjustment provisions if applicable]
- 16. Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Specified Period: *(N.B. only applicable if the Specified Period does not correspond with the Interest Payment Date.)*
- (ii) First Interest Payment Date: [•]
- (iii) Interest Payments Dates: [•] in each year up to and including the Maturity Date
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]

- (vi) Additional Business Centre(s): [Not Applicable/*give details*]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): *[[Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]*
- (vi) Screen Rate Determination:
- Reference Rate: *[For example, LIBOR or EURIBOR]*
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: *[For example, Reuters LIBOR 01/ EURIBOR 01]*
  - Relevant Time: *[For example, 11.00 a.m. London time/Brussels time]*
  - Relevant Financial Centre: *[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]*
- (vii) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (viii) Margin(s): [ +/- ][•] per cent per annum
- (ix) Minimum Rate of Interest: [•] per cent per annum
- (x) Maximum Rate of Interest: [•] per cent per annum
- (xi) Day Count Fraction: [•]
- (xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest [•]

on Floating Rate Notes, if different from those set out in the Conditions:

17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent per annum
  - (ii) Reference Price: [•]
  - (iii) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [•]]
  - (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ FRN Convention/ Floating Rate Convention/ Eurodollar Convention/ other (give details)]
  - (vi) Additional Business Centre(s): [Not Applicable/give details]
18. **Variable-linked interest Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Formula/other variable: [give or annex details]
  - (ii) Calculation Agent responsible for calculating the interest due: [•]
  - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [•]
  - (iv) Interest Determination Date(s): [•]
  - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or

- impracticable or otherwise disrupted:
- (vi) Interest or calculation period(s): [•]
- (vii) Specified Period: [•]
- (ix) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (x) Additional Business Centre(s): [•]
- (xi) Minimum Rate/Amount of Interest: [•] per cent per annum
- (xii) Maximum Rate/Amount of Interest: [•] per cent per annum
- (xiv) Day Count Fraction: [•]
- 19. Dual Currency Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*give details*]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
- (v) Additional Business Centre(s): [Not Applicable/*give details*]



## PROVISIONS RELATING TO REDEMPTION

20. Call Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [•] per Calculation Amount
    - (b) Maximum Redemption Amount: [•] per Calculation Amount
  - (iv) Notice period: [•]
21. Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
  - (iii) Notice period: [•]
22. Final Redemption Amount of each Note [•] per Calculation Amount
- In cases where the Final Redemption Amount is variable-linked:
- (i) Formula/variable: [give or annex details]
  - (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [•]
  - (iii) Provisions for determining Final Redemption Amount [•]

where calculated by reference to Formula and/or other variable:

- (iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: [•]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) [Payment Date]: [•]
- (vii) Minimum Final Redemption Amount: [•] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [•] per Calculation Amount

### 23. Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable  
*(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]*

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 24. Form of Notes:

Bearer Notes:<sup>3</sup>

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]<sup>4</sup>

<sup>3</sup> Bearer Notes issued in compliance with the D Rules must initially be represented by a Temporary Global Note.

<sup>4</sup> If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]", the Permanent Global Note shall not be exchangeable on [•] days notice/at any time.

[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]<sup>5</sup>

[Registered Notes]

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]<sup>6</sup>

25. New Global Note [Yes/No]
26. Intended to be held in a manner which would allow Eurosystem eligibility [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes] . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]
27. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details.  
*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 16(vi) and 18(x) relate*]
28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]

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<sup>5</sup> If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]", the Temporary Global Note shall not be exchangeable on [•] days notice.

<sup>6</sup> If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]", the Permanent Global Note shall not be exchangeable on [•] days notice/at any time.

30. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
31. Consolidation provisions: [The provisions [in Conditions 20 (*Further Issues*)] [annexed to this Pricing Supplement] apply]
32. Other terms or special conditions: [Not applicable/ *give details*]

#### **DISTRIBUTION**

33. (i) If syndicated, names and addresses of Dealers and underwriting commitments: [Not Applicable/*give names, addresses and underwriting commitments*]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)*
- (ii) Date of [•]  
 [Subscription] Agreement:
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
34. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
35. Total commission and concession: [•] per cent of the Aggregate Nominal Amount
36. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA D/ TEFRA not applicable]
37. Additional selling restrictions: [Not Applicable/*give details*]

#### **LISTING AND ADMISSION TO TRADING** Australia/None

- (i) Listing and admission to trading [Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Australian Securities Exchange with effect from [•].]/[Not Applicable].
- (ii) Estimate of total expenses related to admission to trading [•]

#### **OPERATIONAL INFORMATION**

38. ISIN Code: [•]
39. Common Code: [•]
40. Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. the [Not Applicable/*give name(s) and number(s)*]

- |     |   |                                    |
|-----|---|------------------------------------|
|     | relevant identification<br>number(s):                             |                                    |
| 41. | Delivery:   | Delivery [against/free of] payment |
| 42. | Names and addresses of initial<br>Paying Agent(s):                | [•]                                |
| 43. | Names and addresses of<br>additional Paying Agent(s) (if<br>any): | [•]                                |

**GENERAL**

- |     |   |   |
|-----|---|---|
| 44. | Private Bank<br>Rebate/Commission   | [Applicable/Not Applicable]   |
| 45. | The Aggregate principal amount<br>of the Notes issued has been<br>translated into United States<br>dollars at the rate of [•],<br>producing a sum of ( <i>for Notes<br/>not denominated in United<br/>States dollars</i> ): |   |
| 46. | Ratings:  | <p>[The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert credit rating agency name(s)].]</p> <p>[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]</p> <p>[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]</p> <p>[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]</p> <p>[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert credit rating agency].]</p> <p>[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU-registered credit rating agency] is established in the</p> |

European union an registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

**[USE OF PROCEEDS**

*Give details if different from the "Use of Proceeds" section in the Information Memorandum.]*

**[STABILISING**

In connection with this issue, *[insert name of Stabilising Manager]* (the "Stabilising Manager") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions, to the extent permitted by applicable laws, regulations and rules, and other than in the circumstances where such action would reasonably be expected to affect the price of the Notes traded within Australia or New Zealand or on a "financial market", as defined in the Australian Corporations Act, operated within Australia and with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilising Manager (or persons acting on behalf of a Stabilising Manager) to do this. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made. Such stabilising if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.]

**RESPONSIBILITY**

The Issuer and the Guarantor(s) accept responsibility for the information contained in these Pricing Supplement. *[(Relevant third party information) has been extracted from (specify source)].* Each of the Issuer and the Guarantor(s) confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by *(specify source)*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [name of the Issuer]:

By: .....  
Duly authorised

[Signed on behalf of the [name of the Guarantor]:

By: .....  
Duly authorised]

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

Global Notes may be in bearer form. Consequently, in relation to any Tranche of Bearer Notes represented by a Bearer Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Bearer Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Bearer Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantor to the bearer of such Bearer Global Note and in relation to all other rights arising under the Bearer Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Bearer Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Bearer Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the bearer of the Bearer Global Note.

### Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

*Payments in relation to the Bearer Notes:* All payments in respect of the Bearer Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Bearer Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Bearer Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

*Payments in relation to Registered Notes:* All payments in respect of a Registered Global Note will be made against presentation and endorsement or (in the case of payment of principal in full with all interest accrued thereon) presentation and surrender of the Registered Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Registered Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

*Payment Business Day:* In the case of a Global Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and any day on which commercial banks and foreign exchange markets settle payments in any Additional Financial Centre (if any); or, if the currency of payment is not euro, any day on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency.

*Exercise of put option:* In order to exercise the option contained in Condition 11(e) (*Redemption at the option of Noteholders*) the holder of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent or Transfer Agent (as applicable) specifying the



principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 11(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be used for financing capital expenditure, refinancing existing debt obligations, and other general corporate purposes of the Chorus Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Pricing Supplement.

## DESCRIPTION OF THE ISSUER AND THE ORIGINAL GUARANTOR

### The Issuer

#### *General*

The Issuer, Chorus Limited, was established and incorporated as a company under the Companies Act 1993 of New Zealand on 1 July 2011, with company number 3454251. The registered office of the Issuer is Level 10, 1 Willis Street, Wellington 6011, New Zealand.

#### *Business activities*

The Issuer is the holding company of the Chorus Group. The Chorus Group comprises the Issuer and all of its wholly-owned subsidiaries, including the Original Guarantor. At the date of this Information Memorandum, the Original Guarantor is the sole operating subsidiary of the Issuer. The Original Guarantor does not hold ordinary shares in the Issuer.

#### *Management*

For information on the management of Issuer, see "*Management of the Chorus Group*" below.

#### *Substantial shareholder*

At the date of this Information Memorandum, the Issuer had 436,075,010 ordinary shares on issue. The Issuer's ordinary shares are quoted on the NZX Main Board and on the ASX. American Depositary Shares, each representing five ordinary shares and evidenced by American Depositary Receipts, are not listed but are traded on the over-the-counter market in the United States.

Some ownership restrictions apply to Chorus' shares, as described under the heading "*Ownership restrictions*" below.

At the date of this Information Memorandum, the Issuer has received notice of the following substantial product/security holders, each holding more than 5% of Chorus total listed voting shares on issue:

Name of Holder	Total Number of Shares Held	Total percentage
L1 Capital Pty Limited	63,601,466	14.80%
The Vanguard Group Inc	23,418,083	5.370%
Commonwealth Bank of Australia	21,536,089	5.013%

### The Original Guarantor

#### *General*

The Original Guarantor, Chorus New Zealand Limited, was established and incorporated as a company under the Companies Act 1993 of New Zealand on 1 July 2011, with company number 3454256. The registered office of the Original Guarantor is Level 10, 1 Willis Street, Wellington 6011, New Zealand.

#### *Business activities*

The Original Guarantor is the operating company of the Chorus Group and as a result, the business activities of the Original Guarantor are the business activities of the Chorus Group. A

further description of the business activities of the Chorus Group is set out under "*Description of the Chorus Group's Business*" below.

*Organisational structure*

The Original Guarantor is a wholly-owned subsidiary of the Issuer.

*Management*

The Directors of the Original Guarantor are as follows:

<b>Name</b>	<b>Title</b>	<b>Date of appointment</b>
Patrick Strange .....	Chair and Director (Independent)	25 August 2017
Jonathan Hartley .....	Deputy Chair and Director (Independent)	25 August 2017
Anne Urlwin .....	Director (Independent)	25 August 2017
Kathryn McKenzie .....	Managing Director (Non-Independent)	20 February 2017
Jack Matthews .....	Director (Independent)	25 August 2017
Andrew Mark Cross .....	Director (Independent)	25 August 2017
Murray Jordan .....	Director (Independent)	25 August 2017
Prudence Flacks .....	Director (Independent)	25 August 2017

The business address for the Directors of the Original Guarantor is 1 Willis Street, Wellington 6011, New Zealand.

The Directors of the Original Guarantor have notified the Original Guarantor's Board of all their directorships and other interests as required under the New Zealand Companies Act 1993.

## DESCRIPTION OF THE CHORUS GROUP'S BUSINESS

### Overview

The Chorus Group is New Zealand's largest fixed line communications infrastructure services provider, operating and building a fixed communications network including copper and fibre optic lines and related infrastructure and technologies connecting homes, schools, hospitals and business throughout New Zealand.

The core of the Chorus Group's business is a nationwide network of fibre optic cables and copper cables that connect New Zealand homes and businesses to each other across New Zealand.

The Chorus Group is restricted from selling telecommunications services direct to end-consumers. Chorus provides open access wholesale services to approximately 100 RSPs at the date of this Information Memorandum. RSPs use the Chorus Group's network to deliver phone and internet services to New Zealanders and rely on the Chorus Group's copper and fibre network capability and expertise to build and maintain their communications services.

For the years ended 30 June 2018 and 2017, the Chorus Group generated operating revenue of NZ\$990 million and NZ\$1,040 million, respectively, and net profit after tax of NZ\$85 million and NZ\$113 million, respectively.

For the half year ended 31 December 2017 and 2018, the Chorus Group generated operating revenue of NZ\$499 million and NZ\$489 million, respectively, and net profit after tax of NZ\$47 million and NZ\$30 million.

The Chorus Group's financial results for the year ended 30 June 2018 largely reflect the annualised revenue impact of declining connections from the year ended 30 June 2017, the adoption of three new accounting standards (NZ IFRS 9, 15 and 16) and costs incurred as part of an organisational transformation programme. The continuation of declining lines connections and an increase in finance expenses due to a new NZ\$500 million New Zealand bond issue in December 2018 resulted in a net earnings decrease for the half year ended 31 December 2018.

Chorus is listed on the NZX Main Board and on the ASX, with a market capitalisation at the date of this Information Memorandum of approximately NZ\$2.6 billion.

### History

Chorus was initially established in March 2008 as a business unit within Telecom New Zealand Limited. At that time, in accordance with undertakings finalised under the Telco Act, Telecom Corporation of New Zealand Limited ("**Telecom**"), as it was then known, implemented the operational separation of its business into three separate business units, comprising a fixed network unit renamed "Chorus", a wholesale unit and a retail business.

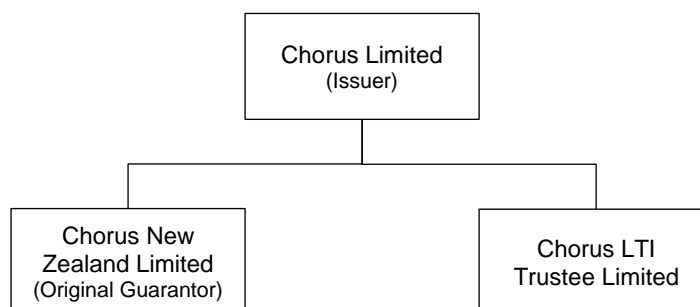
In March 2009, the New Zealand Government released the first phase of its UFB network build. The essence of the UFB network build is to create partnerships between the New Zealand Government and private investors to deploy fibre network infrastructure. On 24 May 2011, the New Zealand Government announced that it had reached agreement with Telecom for Chorus to take a cornerstone role in the first stage of the UFB network build.

Chorus subsequently demerged from Telecom, becoming a standalone listed entity in late 2011. Telecom is now known as Spark New Zealand Limited.

In January 2017, Chorus was contracted to build a substantial majority of the second phase of the UFB network build (UFB2), amounting to approximately 168,240 premises. In August 2017, Chorus was contracted to build an expansion to the second phase of the UFB network build, amounting to an additional approximately 54,500 premises. The build is expected to be completed by 2022.

## Structure of the Chorus Group

At the date of this Information Memorandum, the Chorus Group's structure is as follows:



Chorus New Zealand Limited, the Original Guarantor, is the operating company of the Chorus Group. Chorus LTI Trustee Limited is the trustee company for the Chorus Group's executive long term incentive scheme.

## Network assets

### *Overview*

The Chorus Group's local access network consists of fibre optic and copper cables that connect homes and businesses to each other across New Zealand. These cables typically connect back to local exchanges owned by the Chorus Group. The Chorus Group's fibre also connects many mobile phone towers owned by mobile service providers.

The New Zealand telecommunications network, including the Chorus Group's network assets, is described further below under "*Overview of the New Zealand telecommunications industry*".

The number of fixed line connections on the Chorus Group's network at 31 December 2018 was approximately 1.486 million. This reflected a decrease of approximately 40,000 from 31 December 2017. The decline in total fixed line connections at 31 December 2017 was 43,000 from 31 December 2016. The slowdown in lost connections for 31 December 2018 was driven by stronger growth in Chorus UFB areas, offsetting reductions in LFC areas and VDSL and vectoring upgrades helping limit rural wireless effect.

### *UFB network*

In May 2011, following the conclusion of a competitive process, Chorus (which at that time was a business unit within Telecom) was selected as a cornerstone participant in the first phase of the UFB network build ("**UFB1**") to develop, in partnership with the New Zealand Government, the fibre network in 24 of the 33 UFB candidate areas within that first phase.

In January 2017, Chorus was again selected as a cornerstone participant in the second phase of the UFB network build ("**UFB2**"), and was contracted to build a substantial majority of that second phase, amounting to approximately 168,240 premises. In August 2017, Chorus was contracted to build an expansion to the second phase of the UFB network build, amounting to approximately 54,500 additional premises. The build is expected to be completed by 2022.

Under this programme of work, the Chorus Group is deploying fibre to homes, businesses, schools, hospitals and health service providers within the allocated UFB candidate areas, which cover approximately three quarters of the footprint of the UFB network build. The New Zealand Government's investment of up to approximately NZ\$1.33 billion in the Chorus Group in

connection with the UFB network build is made through CIP, at the election of Chorus, on a progressive basis as the UFB rollout is completed.

The UFB1 build is expected to continue through to 2019 and the UFB2 build is expected to continue through to 2022. At 31 December 2018, the Chorus Group was 70% through the UFB rollout. Build work had been finished for approximately 738,000 premises across the Chorus Group's UFB network (including approximately 15,000 UFB2 premises) at 31 December 2018, with the result that approximately 981,000 end-consumers could connect to the Chorus Group's UFB network. Fibre uptake was at 51% across the Chorus Group's UFB network at 31 December 2018, up from 45% at 30 June 2018. Fibre rollout in Auckland and Wellington is expected to be largely complete by 31 October 2019.

The UFB build comprises two components:

1. **Communal network to deliver fibre past premises.** The communal network deployed by the Chorus Group must pass all premises in the UFB candidate area awarded to the Chorus Group, built according to annual build milestones and to be completed by no later than 31 December 2019 in respect of UFB1 and December 2022 in respect of UFB2.
2. **Connection of fibre to premises.** The connection of individual premises to the communal infrastructure as dictated by demand, including installing equipment in the end-consumers' premises to enable service delivery. Residential connections includes fibre from the communal network to the optical network terminal located inside the end-consumers' premises. The optical network terminal provides ethernet ports and phone jacks allowing end-consumers to plug in most existing phones, personal computers and wireless routers to receive service.

### **The Chorus Group's customer base**

The Chorus Group customer base mainly comprises approximately 100 RSPs who buy both Layer 1 and Layer 2 services on a non-discriminatory or equivalence of inputs basis, as well as other telecommunications services. Other customers of the Chorus Group include other access network providers including LFCs.

Under the Telco Act, the Chorus Group is restricted from providing telecommunications services to retail end-consumers, including small and medium sized entities ("**SMEs**") and corporates. The Commerce Commission maintains a register of non end-consumers to whom the Chorus Group can supply services. The New Zealand Commerce Commission assesses the eligibility of new non end-consumers.

### **The Chorus Group's products and services**

Broadly, the Chorus Group offers customers point to point Layer 1 (physical) copper and fibre services to the local exchange as well as copper and fibre based Layer 2 (bitstream) services to the relevant point of interconnect.

Under the Open Systems Interconnection model ("**OSI model**"), 'layers' subdivide the telecommunications system from the physical assets in the ground right through to the application on a computer being used by an end-consumer. The model is composed of seven individual layers and each layer builds on the next to enable the transfer of data and information between two or more points in a network. Within the New Zealand telecommunications industry the concept of OSI model layers are used as a basis on which services and products are regulated by the New Zealand Commerce Commission.

Under the current regulatory framework, the Chorus Group provides Layer 1 and Layer 2 copper and fibre products. In the residential and business market Layer 2 fibre Gigabit Passive Optical Network ("**GPON**") services and are available prior to 2020. From January 2020, Chorus will also offer Layer 1 point to multipoint services which will cater for both residential and business customers. In the corporate market, Layer 1 GPON fibre services are also available.

1. **Layer 1** within the OSI model is classified as the physical layer and within a telecommunications fixed access network this can be considered to comprise copper and fibre cables and co-location space inside exchanges or cabinets. At the physical layer, data is transmitted using electric voltages through copper and pulses of infrared or ordinary light through optic fibre. In the situation where an RSP purchases access to physical assets, for example UCLL co-location or direct fibre access, this is referred to as a Layer 1 product within the OSI model.
2. **Layer 2** within the OSI model is classified as the data link layer and provides the functional and procedural means to transfer data between network entities. Within the telecommunications fixed access network this can be considered to comprise of the bitstream equipment and services which transmits basic data from one point in the network to another over the Layer 1 physical assets. In the situation where an RSP purchases data transfer products, for example copper UBA services and fibre Bitstream products, this is referred to as a Layer 2 product.

The below table shows the proportion of revenues provided by each of the Chorus Group's product categories for the half-year ended 31 December 2018:

	<b>Half Year ended 31 December 2018</b>	
	<u>NZ\$ (mil)</u>	<u>%</u>
Fibre broadband (GPON) .....	136	28
Fibre premium (P2P) .....	37	8
Copper based voice.....	56	11
Copper based broadband.....	181	37
Data services over copper.....	10	2
Value added network services.....	16	3
Infrastructure .....	12	2
Field services.....	39	8
Other.....	2	1
<b>Total revenue .....</b>	<b>489</b>	<b>100</b>

### *Fibre*

Fibre revenues are earned from Chorus' Point to Point fibre products, such as HSNS Premium and NGA Business Premium, and GPON residential and business fibre services, NGA Evolve and NGA Business. This category also captures Chorus' backhaul and Direct Fibre Access Service, which provide transport and dark fibre point to point solutions and can be used to deliver backhaul connections to mobile sites.

NGA Evolve and NGA Business are high speed bitstream access services delivered over GPON point to multipoint fibre.

HSNS Premium and NGA Business Premium are high speed bitstream services with dedicated bandwidth on point to point fibre.

Backhaul services are offered to support RSPs with the aggregation and transportation of their customer access traffic from the Point of Interconnect (bitstream handover point), exchange or cabinet back to their nearest point of presence to interconnect with the RSP's network.



The Direct Fibre Access Service is a dark fibre access service suitable for the delivery of complex business grade applications requiring point-to-point fibre access, such as delivering backhaul connections to Mobile sites.

#### *Enhanced copper*

Enhanced copper includes copper based next generation regulated and commercial products that deliver higher speed capability and a better end-consumer experience, and can assist the transition to fibre. It includes Basic and Enhanced UBA, VDSL, Baseband IP voice input service and HSNS Lite for business data on copper.

These services allow RSPs direct access to the high speed access links between the exchange and an end-consumer premises that have been installed by the Chorus Group. RSPs are then able to install their own equipment at designated Points of Interconnect, to deliver high speed broadband services, rather than having to utilise the Chorus Group's equipment.

Basic UBA provides a "best efforts" bitstream service suitable for internet access. Enhanced UBA provides two classes of service enabling both time delay sensitive applications such as voice and best efforts applications such as internet access to be supported concurrently.

VDSL (or Very High Speed Digital Subscriber Line) is the fastest of the Chorus Group's copper broadband products. During the year ended 30 June 2018, a change to VDSL broadband saw average peak speeds on VDSL rise from 35Mbps to 50Mbps, and enabled the Chorus Group to increase its VDSL footprint by an estimated 175,000 customers. The combination of UFB, RBI and VDSL upgrades means that the Chorus Group now has high-speed broadband available via fibre or copper-based VDSL technology across 85% of its broadband capable lines.

The Baseband IP service enables RSPs to deliver a VoIP service over copper as either a standalone service, or in conjunction with broadband. At the date of this Information Memorandum, Baseband IP is available across about 85% of the Chorus Group's lines.

HSNS Lite is a high performing bitstream service with dedicated bandwidth on copper lines, designed for business and priority use.

#### *Basic copper*

Basic copper incorporates core regulated products that, while an important part of the Chorus Group's portfolio, are founded on earlier technology and product variants that are being superseded by enhanced copper and fibre services. Basic copper includes the copper voice input UCLFS, Unbundled Copper Local Loop ("**UCLL**"), SLU, SLES. At the date of this Information Memorandum, basic copper revenues are declining as customers migrate from these alternative product types.

UCLFS is a technology neutral voice input service offered over the copper access network. It is a service that enables access to, and interconnection with, the low frequency band (being the frequency between 300 and 3400 Herz) in the Chorus Group's copper network. UCLFS is a subset of a technology neutral voice input service, baseband, which the Chorus Group has made available on a commercial basis to meet TSO requirements.

UCLL services are a group of services that enable RSPs to directly access a copper access line to deliver phone and internet services via their own equipment. This includes the UCLL access (a service that enables RSPs access to, and interconnection with, the copper local loop network, including any relevant end-consumer line in the exchange) and UCLL co-location services (which allow RSPs to rent space in or on premises owned by the Chorus Group).

SLU services allow RSPs to connect directly to the roadside cabinet (as opposed to the exchange in UCLL co-location) owned by the Chorus Group to connect and utilise the final local access connection to an end-consumer premises.

SLES allows RSPs to connect a sub-loop UCLL line from a cabinet to the telephone exchange to enable them to continue to offer phone and broadband service from the exchange in areas that have been cabinetised.

#### *Value added network services*

The main revenue driver for this category is national data transport services, which provide network connectivity across backhaul links. The nature of these services means volumes and revenues in this category are relatively static.

#### *Infrastructure*

Infrastructure revenue relates to services that provide access to the Chorus Group's network assets. The Chorus Group provides commercial access to its exchanges, poles and other infrastructure. Co-location revenue derives from RSPs and other network operators installing their equipment in Chorus Group exchanges, as well as leased commercial space in exchange buildings.

#### *Field services*

This category includes work performed by the Chorus Group's service company technicians providing new services, chargeable cable location services, maintaining RSP networks and relocating or extending the Chorus Group's network on request. As the Chorus Group utilises service companies to perform field services work, there is a direct cost associated with all field services revenues.

#### *Other*

Other income largely consists of revenue generated from the provision of billing and network management services to Spark, dividends received from electricity trusts that supply the Chorus Group with electricity and any other minor income.

### **Liquidity and capital resources**

The Chorus Group incurs significant amounts of capital expenditure to build and operate the new fibre network in its UFB candidate areas and to operate and maintain the existing national fixed line copper network.

The Chorus Group's principal sources of liquidity are operating cash flows, external borrowing from established debt programmes (including the Programme and bonds issued in the New Zealand domestic market) and bank facilities and Crown funding for the UFB build as UFB milestones are completed. See "*Crown funding*" below.

At 31 December 2018, the aggregate amount of the Chorus Group's interest bearing debt was approximately NZ\$2,362 million. At the date of this Information Memorandum, none of the Chorus Group's debt has been secured against its assets.

At 31 December 2018, the Chorus Group had in place NZ\$350 million committed syndicated revolving bank facilities on terms and conditions that Chorus believes to be market standard, the facility was undrawn. On 29 March 2019, these facilities were updated and extended from NZ\$350 million to NZ\$550 million. At the date of this Information Memorandum the facility remains undrawn.

On 6 December 2018 Chorus issued NZ\$500 million in principal amount of bonds in the New Zealand market. The net proceeds of this bond issue were used primarily for general corporate purposes, including paying down Chorus' bank facility referred to above and partially pre-funding repayment of its 2020 GBP bond.

## **Crown funding**

Chorus receives funding from the Crown to finance construction costs associated with the development of the UFB network. For UFB1 Chorus receives funding at a rate of NZ\$1,118 for every premises passed (as certified by CIP), in return Chorus issues CIP equity securities, CIP debt securities and CIP warrants.

The equity and debt securities issued by Chorus have an issue price of NZ\$1 and are issued on a 50:50 basis. For each premises passed, NZ\$559 of equity securities and NZ\$559 of debt securities are issued by Chorus for which Chorus receives NZ\$1,118 funding in return. CIP warrants are issued for nil value. At the date of this Information Memorandum, Chorus expects the total committed funding available for Chorus over the period of UFB1 network construction to be NZ\$929 million (subject to the terms of the UFB1 Agreement).

For UFB2 there are five different funding rates applied, at an average rate of NZ\$1,828 for every premises passed (as certified by CIP). In return for the CIP funding, CIP equity securities and CIP debt securities are issued on very similar terms to the UFB1 equity securities and debt securities. Chorus can elect the mix of securities to be issued (up to a maximum of NZ\$302 million equity securities for UFB2). There are no CIP warrants in relation to UFB2 and UFB2+ funding. At the date of this Information Memorandum, the total committed funding available for Chorus for UFB2 and UFB2+ is expected to be NZ\$407 million (subject to the terms of the UFB2 Agreement).

### *CIP equity securities*

CIP equity securities are a class of unique security that carry no right to vote at meetings of holders of Chorus ordinary shares, but entitle the holder to a preferential right to repayment on liquidation and additional rights that relate to Chorus' performance under its construction contract with CIP.

Dividends will become payable on a portion of the CIP equity securities from 2025 onwards for UFB1 and 2030 for UFB2, with the portion of CIP equity securities that attract dividends increasing over time. CIP equity securities can be redeemed by Chorus at any time by payment of the issue price or issue of new Chorus ordinary shares (at a 5% discount to the 20-day volume weighted average price). In limited circumstances CIP equity securities may be converted by the holder into voting preference shares or ordinary shares.

Chorus is not obliged to declare any dividend on CIP equity securities in respect of any period, but if it does not make a scheduled dividend on the CIP equity securities, it may not pay dividends on the Chorus shares until a subsequent dividend on the CIP securities is paid in full. The dividends payable on the CIP equity securities are non-cumulative, which means that if Chorus does not make a scheduled dividend payment, the unpaid dividend falls away and does not become a debt due to the holder of the CIP equity securities.

### *CIP debt securities*

CIP debt securities are unsecured, non-interest bearing and carry no voting rights at meetings of holders of Chorus ordinary shares. Chorus is required to redeem the CIP UFB1 debt securities in tranches from 2025, and CIP UFB2 debt securities from 2030, to 2036 by repaying the face value to the holder.

The principal amount of CIP debt securities consists of a senior portion and a subordinated portion, the ratio of which changes over time as described below. The senior portion ranks equally with all other unsecured, unsubordinated creditors of Chorus, and has the benefit of any negative pledge covenant that may be contained in any of Chorus' debt arrangements.

The subordinated portion ranks below all other indebtedness of Chorus, and above ordinary shares of Chorus.

The initial value of the senior portion is the present value (using a discount rate of 8.5%) of the sum repayable on the CIP debt securities, and the initial subordinated portion is the difference between the issue price of the CIP debt security and the value of the senior portion.

#### *CIP warrants*

Chorus issues CIP warrants to CIP for nil consideration along with each tranche of CIP equity securities in relation to UFB1 funding. There are no CIP warrants in relation to UFB2 funding. The CIP Warrants are intended to allow CIP (or the holder if they are transferred) to participate in the upside if the ordinary shares of Chorus perform in excess of a total shareholder return of 16% per annum over the period December 2011 to June 2036.

Each CIP warrant gives CIP the right, on a specified exercise date, to purchase at a set strike price an ordinary share to be issued by Chorus. A CIP warrant will therefore be 'in the money' to the extent that the price that CIP can realise for the Chorus share exceeds the price paid to exercise the CIP warrant. The strike price for a CIP warrant is based on a total shareholder return of 16% per annum on Chorus shares. Therefore, a holder of a CIP warrant is only likely to exercise the CIP warrant if total shareholder return on Chorus shares has exceeded 16% per annum to the exercise date of the CIP warrant.

### **Overview of the New Zealand telecommunications industry**

#### *Introduction*

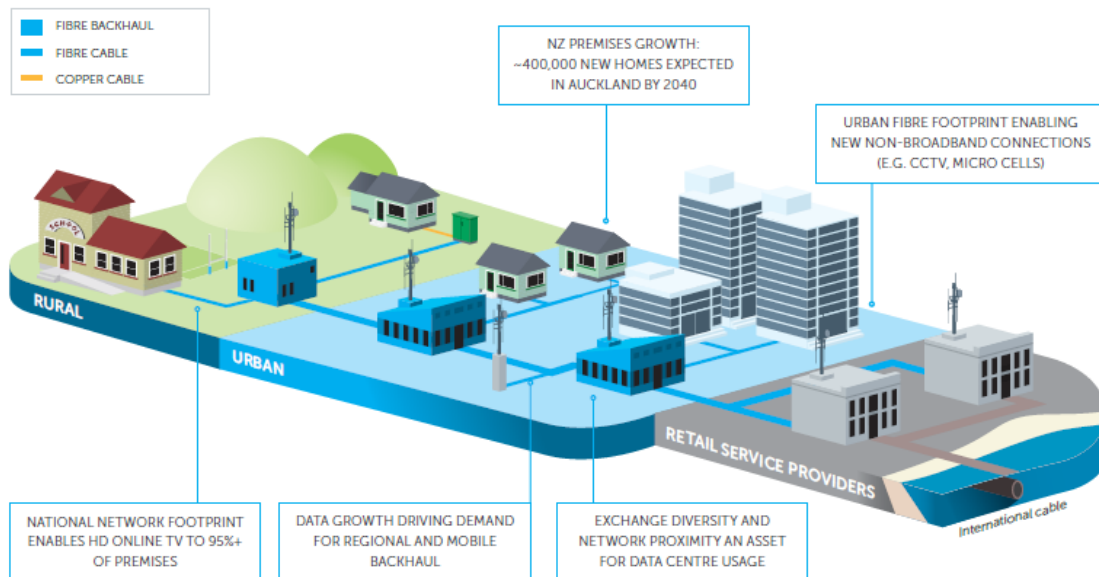
Chorus' demerger from Telecom (now Spark) in late 2011 followed fundamental changes in the regulation of the New Zealand telecommunications industry. Chorus, previously the fixed network unit of Telecom, became a standalone listed entity. Telecom's wholesale unit and retail business remained with Spark.

The Chorus Group is a participant in the New Zealand telecommunications and information technology industries. Broadly, the telecommunications industry can be defined as fixed and mobile calling, messaging and managed and unmanaged data services. These products are delivered across a variety of platforms. Owing to the changing nature of the underlying technologies involved, the telecommunications industry is developing significant overlaps with other previously distinct industries, such as IT services, entertainment, and information services (for example search, classifieds, online trading and display).

As described above, the Chorus Group provides open access wholesale services to approximately 100 RSPs. The Chorus Group is prohibited from selling services directly to end-consumers.

The diagram below illustrates the high level structure of the Chorus Group's nationwide network infrastructure at the date of this Information Memorandum, and how that network transfers

information from a local premises (for example, an internet browser or email in a home) to local exchanges and cell towers.



The Chorus Group's cables typically connect to local rural or urban exchanges, of which it has approximately 600 nationwide at the date of this Information Memorandum. The methods of connection from a premises to a local exchange are discussed further below.

Local exchanges are the link between the Chorus Group's network and major exchanges, and regional and national backhaul services, provided by the wholesale unit of Spark ("**Spark Wholesale**"). Spark Wholesale also provides access to international markets via the Southern Cross undersea cable.

The Chorus Group's fibre also connects many cell towers owned by mobile service providers, with mobile phone calls in New Zealand typically connecting via the Chorus Group's network at some point.

The overall telecommunications network described above is frequently referred to as the Public Switched Telephone Network ("**PSTN**") and broadly includes the network infrastructure and equipment to deliver communications services both within New Zealand and to the outside world, allowing fixed and mobile phones and data devices such as computers to communicate with other devices.

The original New Zealand telecommunications network was based entirely on copper cables that carried the voice and data traffic and, whilst progressively being replaced by fibre, use of copper is still predominant as it is still heavily utilised in the local access part of the network.

In more recent times, the use of fibre optic cables has been increasing throughout the core network, regional backhaul and the access network. This technology allows data and information to be sent down a very thin strand of glass via light waves rather than electrical signals. Light transmission allows for higher data rates than conventional copper wire, coaxial cable and many forms of radio transmission and as a result more information can be transferred quicker from one point in the network to another when compared to the older network technologies.

*Connecting from a premises to a local exchange*

Across the fixed local access network there are three main methods of connection of a premises to the local exchange:

1. **Directly connecting to the exchange through copper.** At the date of this Information Memorandum, the copper access network (often referred to as the local loop) remains the most common form of local fixed access network connection in New Zealand and utilises copper for the connection between a premises and a roadside cabinet or local exchange.
2. **Connecting to a cabinet by copper and then from the cabinet to the exchange on fibre.** The Chorus Group maintains a substantial fibre-to-the-node ("FTTN") network. FTTN refers to local access network architecture with fibre from the local exchange to the roadside cabinet and a copper connection from the roadside cabinet to the end-consumer premises. This is designed to boost broadband speeds by shortening the copper access or local loop distance between an end-consumer's premises and the point in the network where fibre was available to carry the traffic further. As a result of the FTTN network and the shorter copper local loop lengths, end-consumers are able to access higher speed broadband services and also can take advantage of newer DSL technologies like VDSL2.
3. **Directly connecting via fibre.** The objective of the first stage of the New Zealand Government's UFB network build was to deploy a fibre to the premises (FTTP) local access network infrastructure to 75% of New Zealanders. Subsequent agreements (UFB2 and UFB2+) have extended the coverage goal to 87% of population by the end of 2022. This network utilises fibre cables from the exchange to roadside cabinets as well as over the final connection between the roadside cabinets and the end-consumer premises. Typically the FTTP local access network architecture allows for the highest data speeds and capacity which enable high bandwidth end-consumer services such as Internet Protocol Television ("IPTV") (whereby television is delivered via the internet or another access network) and high definition video conferencing, which are less effectively delivered over existing copper access networks.

#### *Competition*

As expected since the start of the UFB and RBI rollouts, the Chorus Group has seen some line loss in recent years to other fibre and wireless networks.

The Chorus Group also competes with Vodafone's cable network in the Wellington area where the Chorus Group is building the UFB network and in Christchurch where the Chorus Group has its existing network.

Spark has announced an intention to reduce its Chorus network costs and increase margins by encouraging its copper broadband customers to move to fixed wireless. The technical constraints of fixed wireless networks means these services have datacap limits, while unlimited data plans are now typically promoted by retailers for fixed line services.

This is reflected in the reduction in the Chorus Group's total fixed line count from approximately 1,526,000 to approximately 1,486,000 during the year ended 31 December 2018. This was largely a consequence of copper-based voice and broadband customers migrating to alternative fibre and wireless networks.

#### *Summary of key market trends*

<b>The Chorus Group's market drivers</b>	<b>What the Chorus Group is doing about these drivers</b>
Strong population and premises growth, particularly in Auckland.	The Chorus Group has increased its subdivision capability and is focused on installing fibre so it is available when end users move into their new homes.
Local fibre companies (Enable, Ultra-Fast Fibre, Northpower) are overbuilding our	The Chorus Group has invested in the deployment of VDSL vectoring capability to improve the performance of its copper

existing copper network with fibre as part of the Government's UFB programme.	broadband network and it continues to provide services on its pre-existing fibre network in these areas.
Large vertically integrated retailers are encouraging some of their customers to use their own fixed wireless, cable and legacy fibre networks to reduce their wholesale network costs.	The Chorus Group has become an active wholesaler, promoting awareness of the fibre and VDSL options already available to many New Zealanders through advertising, collaborative campaigns with retailers and its own door knocking initiatives.
Traditional voice only connections are declining as demographics and service options evolve, while legacy business connections are migrating to new lower cost inputs on the Chorus Group or alternative provider networks.	The Chorus Group has an innovation programme underway to identify potential new uses for its network infrastructure, including broadcasting capability, data centres and Internet of Things connectivity.
Communications technology is evolving, potentially increasing the capability of mobile/wireless technologies as a fixed line alternative for some customers.	The Chorus Group is taking fibre to about three-quarters of the 87% New Zealanders to be covered by the UFB programme by the end of 2022 and it is extending its VDSL footprint. The Chorus Group network provides dedicated capacity for customers at times of peak data consumptions

## Regulation of the Chorus Group

### *The Telco Act*

The telecommunications sector in New Zealand is currently principally governed by the Telco Act, which provides for certain telecommunications services to be regulated by the Commerce Commission. The Telecommunications (New Regulatory Framework) Amendment Act ("**the Amendment Act**") was passed into law in November 2018. The Amendment Act reforms the regulatory framework that applies to the Chorus Group's fibre and copper assets. The regulatory framework to apply to the Chorus Group's fibre assets will come into effect on 1 January 2022.

Until then, copper services the Chorus Group provides will be regulated under the Telco Act on price and non-price terms, subject to any deregulation of our copper services that may occur from 1 January 2020. Recent regulated pricing determinations are described under "*Regulatory Reviews and Litigation*" below. Price and non-price terms of fibre services will continue to be constrained principally by Chorus' UFB contracts (pursuant to transitional provisions in the Telco Act).

Amongst other things, the Telco Act:

- provides for the open access undertakings for the Chorus Group with respect to its copper and fibre networks and Rural Broadband Initiative products, as described below;
- includes "line of business" restrictions on the Chorus Group, restricting the Chorus Group's ability to provide services to end-consumers, from selling services linking two or more end-consumer sites and from participating in services above Layer 2 (see "*The Chorus Group's customer base*" above). The Amendment Act introduces an exemption power for the Commerce Commission from the last two line of business restrictions in certain circumstances. The exemption power comes into force after the implementation date of the new fibre regime;
- includes oversight of the transitional and long term commercial arrangements between Spark and the Chorus Group to ensure that these arrangements are on arm's length

terms, unlikely to harm competition in telecommunications markets, and ensure the protection of confidential commercial and customer information;

- provides the framework and the legislative vehicle for implementing the UFB programme and the RBI; and
- implements the TSO, as described below.

The new regulatory framework provided for in the Amendment Act also provides for:

- regulation of the maximum revenues that Chorus can recover from its fibre assets;
- regulation requiring Chorus to provide certain fibre services;
- quality standards that Chorus must meet in the provision of fibre services;
- regulation of the price and non-price terms on which Chorus provides certain fibre services; and
- information disclosure regulation requiring Chorus to publicly disclose certain information about its network.

The UFB1 Agreement includes a mechanism for the Chorus Group to seek compensation from CIP if regulatory determinations have an adverse impact before 2020. This compensation mechanism is limited to NZ\$350 million of economic compensation from adjusting arrangements under the existing contracts and will not involve CIP paying the Chorus Group any amounts above the agreed approximately NZ\$929 million investment. There is no such compensation mechanism in the UFB2 Agreement.

When setting the maximum revenue Chorus is able to recover, the Amendment Act requires the Commerce Commission to take into account the costs and financial losses the Chorus Group has incurred in providing UFB fibre services in the period before the new regulatory framework is implemented. In particular, the Commerce Commission must calculate the financial losses incurred during the initial period of operation of the UFB network from 1 December 2011 up to the implementation date, which are treated as an asset. This provides some comfort that the revenue cap will be sufficient to cover Chorus' losses, although the purpose of the cap is not to guarantee Chorus' recovery of those losses.

The detail of the regulation applying to Chorus from 2022 will depend on determinations made and reviews carried out by the Commerce Commission that have not been commenced as at the date of this Information Memorandum.

There will be potentially significant consequences if Chorus Group breaches any requirements under the Amendment Act. Chorus could be liable to pecuniary penalties of up to NZ\$5 million for breaches of information disclosure requirements or price and quality requirements.

#### *Chorus Open Access Deeds of Undertaking*

Chorus is bound by four open access deeds of undertaking. The Copper Undertakings, Fibre Undertakings for UFB1 and UFB2 and RBI Undertakings represent a series of legally binding obligations focused around the provision of services on a non-discriminatory or equivalent basis.

1. **Copper Undertakings:** Under the Copper Undertakings, the Chorus Group is obliged to supply UCLL services using the legacy copper access network on an equivalence of inputs basis. The Chorus Group is obliged to supply UBA services in a bundle with local access and calling. If the Chorus Group supplies certain services (including UBA Backhaul services, wholesale telecommunications services that are supplied using (or provide access to) the unbundled elements of the legacy access network, and UCLFS) it must do so on a "non-discriminatory" basis. That is, in the supply of the relevant service the Chorus



Group must not treat access seekers, including itself, differently unless those differences are objectively justifiable and do not harm, or are unlikely to harm, competition.

The Copper Undertakings also include, amongst other things, provision for reporting breaches, certification of compliance, treatment of commercial information and customer confidential information, and internal audit processes. There is also a requirement on the Chorus Group to commit to a reasonable plan containing timeframes for the transition to end sharing arrangements.

Under the Amendment Act, Chorus will be able to begin to withdraw copper services from areas where fibre services are available and as determined by the Commission, provided that it meets certain conditions.

2. **Fibre Undertakings:** Under the Fibre Undertakings for UFB1 and UFB2, Chorus must achieve non-discrimination in relation to the supply of wholesale services that are provided using, or that provide access to, unbundled elements of the fibre network. The Chorus Group is obliged to ensure that it designs and builds the UFB network in a way that enables, and achieves, equivalence in relation to the supply of unbundled Layer 1 services from 1 January 2020 for UFB1 and 1 January 2026 for UFB2. Under the Amendment Act, after the implementation date of the new fibre regime, if the maximum price of a service is regulated, and it is not a cost-based price, Chorus will not be required to achieve price equivalence in relation to a Layer 1 service to the extent to which it is an input to that service.

The Fibre Undertakings also include, amongst other things, provision for reporting breaches, certification of compliance, treatment of commercial information and customer confidential information, and internal audit processes.

3. **RBI Undertakings:** The RBI Undertakings require the Chorus Group to achieve non-discrimination in relation to the supply of RBI services, which use the network constructed with Crown funding under the RBI contract. If the RBI service is a service required to be provided on an equivalence of inputs basis under the Copper Undertakings or Fibre Undertakings when it is delivered over a network regulated by either of those undertakings, then the RBI service must also be delivered on an equivalence of inputs basis. The RBI Undertakings also include, amongst other things, provision for reporting breaches.

#### *Telecommunications Services Obligations and Levies*

The Telecommunications Services Obligations ("**TSO**") are the regulatory mechanism by which basic telecommunications services are made available and affordable. Under the TSO, Spark is required to make available certain residential local telephone services and Chorus is required to provide the input services to Spark. The Amendment Act provides for a process that, from 1 January 2020, can lead to Chorus' TSO obligations ceasing to apply in areas where fibre services are available as determined by the Commission. Chorus' TSO obligations will continue in areas where fibre networks are unavailable.

The Telecommunications Development Levy ("**TDL**") was established by legislation in June 2011. The TDL is set at NZ\$50 million per year until 2019, reducing to NZ\$10 million each year thereafter, under current policy settings. These settings can be subject to change by government.

The government uses the TDL to pay for telecommunications infrastructure, including the relay service for the deaf and hearing impaired, broadband for rural areas, and improvements to the New Zealand emergency service.

The levy is paid by companies (including the Chorus Group), earning more than NZ\$10 million per year from operating a component of a public telecommunications network (fixed or wireless). Each year, the Commerce Commission determines how the TDL is split between liable persons based on the proportion of their qualifying revenue. The Commerce Commission's determination for the year ended 30 June 2018, is that Chorus is liable for approximately NZ\$11 million of the TDL (2017: NZ\$11.3 million).

Chorus is also required to contribute towards the Commerce Commission's costs through a Telecommunications Regulatory Levy ("**TRL**"). For the year ended 30 June 2018, Chorus was determined to be liable for NZ\$1.4 million of the TRL (2017: NZ\$1.1 million).

Under the new regulatory regime, Chorus will also be required to contribute to a further specific levy for the appropriation period beginning on 1 July 2018 for the costs of performing the Commission's powers and functions in relation to the establishment of the new regulatory regime.

#### *UFB Agreements*

Chorus has entered into contracts relating to the Chorus Group's participation in the New Zealand Government's UFB programme (together, the "**UFB Agreements**") including:

- in respect of UFB1:
  - the Network Infrastructure Project Agreement ("**NIPA1**") dated May 2011 (as amended and/or restated from time to time) with CIP. This agreement governs the contractual arrangement between Chorus and CIP relating, in general, to the first stage of the design, build, delivery and operation of the UFB network;
  - the CIP Subscription Agreement dated May 2011 (as amended and/or restated from time to time) with CIP, which provides for the issue of CIP equity securities, CIP debt securities and CIP warrants as described under "*Description of the Chorus Group's Business – Crown funding*" above,together, the "**UFB1 Agreement**";
- in respect of UFB2:
  - the Network Infrastructure Project Agreement ("**NIPA2**") dated 26 January 2017 (as amended and/or restated from time to time) with CIP. This agreement governs the contractual arrangement between Chorus and CIP relating, in general, to the second stage of the design, build, delivery of the UFB network;
  - the CIP Subscription Agreement dated 26 January 2017 (as amended and/or restated from time to time) with CIP, which provides for the issue of CIP equity securities and CIP debt securities as described under "*Description of the Chorus Group's Business – Crown funding*" above;
  - in respect of UFB2+, a Deed of Amendment and Acknowledgment dated 30 August 2017 with CIP in respect of UFB2+ and the UFB1 Agreement and UFB2 Agreement,together, the "**UFB2 Agreement**";
- in respect of UFB1 and UFB2, a Deed of Operational and Governance Undertakings ("**Deed of Operational and Governance Undertakings**") dated 11 November 2011 in favour of the Crown, which imposes certain operational and governance undertakings on Chorus as described below.

Subject to the transitional mechanism described below, each of NIPA1 and NIPA2 (the "**NIPAs**") will continue until the later of: (i) the completion by the Chorus Group of the design and build obligations imposed by the respective UFB Agreement; or (ii) 31 December 2019 (in respect of NIPA1) and 31 December 2025 (in respect of NIPA2). The NIPA covers the following matters:

- the design, build and operation of a fibre fixed line network in the relevant UFB candidate areas awarded to Chorus by CIP;

- governance of the Chorus Group fibre network business (including CIP's role in the governance of the fibre network business);
- the delivery of specified Layer 1 and Layer 2 services and products on the UFB network at specified prices; and
- commitments to prioritising the fibre network (including obligations to promote fibre and support fibre uptake and restrictions on copper services and products).

Under the transitional mechanism for the new fibre regulatory framework set out in the Amendment Act, the parts of the NIPAs relating to services Chorus has agreed and CIP have agreed would be offered to RSPs (including prices and non-price terms) will continue in force until implementation of the new fibre framework on 1 January 2022 with price caps subject to annual CPI adjustment.

Under each NIPA, the Chorus Group designs, builds, owns and operates the UFB network, which comprises both new infrastructure deployed under the NIPA and the Chorus Group's fibre infrastructure that existed at the time of Chorus' demerger.

The design and build of the UFB network comprises two components:

- communal infrastructure (which will deliver fibre past premises); and
- the connection of premises to the communal infrastructure as dictated by demand, with the Chorus Group meeting the cost of standard residential connections (including the network equipment in the end-consumer's home and in the exchange to enable service delivery).

There are potentially significant consequences (including financial) for Chorus under each NIPA if it breaches its UFB design, build, delivery or operation obligations, including:

- potentially significant default payments if Chorus fails to meet performance milestones or service levels;
- potentially significant damages claims or specific performance for other breaches;
- for prolonged or significant performance failure, CIP may be able to exercise management step-in rights (in respect of UFB1 only), require payment of liquidated damages and/or terminate the relevant NIPA. CIP and Chorus have agreed, for the benefit of the Chorus Group's senior financiers, the obligation to pay these liquidated damages will be subordinated to senior indebtedness of the Issuer.

Each NIPA allocates various decision-making rights over the term of the agreement between Chorus and CIP through the creation of certain governance committees and roles. In addition:

- CIP is entitled to nominate one person to be an independent director of Chorus. Chorus must consider this nominee in good faith, but the appointment and removal of any such nominee as a director of Chorus will be made in accordance with law and Chorus' ordinary process for director appointments and removals.
- Chorus must consult with CIP on the appointment of the senior executive responsible for fibre business, and gain CIP's consent for the replacement of certain key personnel.

Under the Deed of Operational and Governance Undertakings, no person may be appointed or hold office as a director of Chorus who is an associated person of a provider of telecommunications services in New Zealand. Further, under that deed, Chorus has committed to the New Zealand Government that:

- Chorus, its directors and its employees will comply with the ownership restrictions described under "*Ownership restrictions*" below;
- Chorus will ensure that the New Zealand Government's approval is obtained in accordance with those ownership restrictions; and
- Chorus will not take any step to remove or change the effect of the constitutional provisions giving effect to those ownership restrictions.

#### *Ownership restrictions*

Chorus' constitution includes ownership restrictions, under which the New Zealand Government's prior written approval is required for (a) any person to have a relevant interest in 10% or more of the shares in Chorus, or (b) any person other than a New Zealand national to have a relevant interest in more than 49.9% of shares in Chorus.

A special resolution to change any of these constitutional provisions must be approved by 100% of the votes cast on the resolution (not 75%, as is required in other cases).

#### *Other legislation*

The Chorus Group is subject to other legislative requirements such as the requirements of the Commerce Act 1986, Fair Trading Act 1986, as well as telecommunications codes.

The Chorus Group is also subject to the Telecommunications (Interception Capability and Security) Act 2013 ("**TICSA**"), which replaces the Telecommunications (Interception Capability) Act 2004. The TICSA has reduced the Chorus Group's obligations to provide lawful interception capability as the Chorus Group is no longer required to pre-invest in lawful interception solutions for wholesale network services and infrastructure level services.

However, the TICSA introduced new obligations on network operators to prevent, sufficiently mitigate or remove network security risks arising from public telecommunications networks. The Chorus Group, like other network operators, is obliged to engage with the New Zealand Government Communications Security Bureau where it might affect New Zealand's national security and this has the potential to drive significant compliance costs.

### **Regulatory reviews and litigation**

#### *New regulatory framework reviews*

Chorus Group will be subject to new detailed regulatory requirements for fibre services from 1 January 2022 relating to the revenue it may earn; the services it must provide; and the conditions of supply and the prices it may charge for certain services; and the information it must disclose to the Commission. Those requirements will only be known following detailed processes undertaken by the Commission. The Commission processes required to implement the new regulatory framework will lead to decisions on:

- The maximum revenues Chorus Group is allowed to generate from its fibre network;
- The fibre services Chorus Group must provide;
- Any quality standards that Chorus is required to meet in the provision of fibre services;
- The price and non-price terms on which certain fibre services must be provided; and
- The information Chorus Group is required to disclose to the Commerce Commission to facilitate the Commission's compliance monitoring.

The outcome of those decisions is not yet known.

In addition, following the first regulation period of 3 years, the Commission may undertake further reviews of the regulatory framework. These reviews will lead to decisions on:

- Whether Chorus should continue to be subject to revenue cap price-quality regulation, or should instead be subject to price cap price-quality regulation;
- Whether the maximum price for certain fibre services Chorus Group must provide should be cost based;
- Whether Chorus Group should be required to supply the unbundled fibre service at a cost based maximum price.

#### *Litigation*

The Chorus Group may have ongoing claims, investigations and inquiries, at any given time. At the date of this Information Memorandum there are none which are currently expected to have significant effect on the financial position or profitability of the Chorus Group.

Chorus cannot reasonably estimate the adverse effect, if any, on the Chorus Group if any of the outstanding claims or inquiries are ultimately resolved against Chorus' interest. There can be no assurance that such cases will not have a significant effect on Chorus' business, financial position, and results of operations or profitability.

#### **Insurance**

The Chorus Group has put in place insurance arrangements for damage to assets (and resultant business interruption) and liabilities relating to claims that might arise from the Chorus Group's activities. The Chorus Group does not have its own captive insurance company. The Chorus Group's insurance policies are placed with insurers of acceptable security and the levels of retained risk and coverage purchased the Chorus believes are appropriate to its business activities, subject to insurance being available on commercially reasonable terms.

## MANAGEMENT OF THE CHORUS GROUP

### Chorus directors

The board of directors of Chorus (the "**Board**") seeks to ensure that through its skills mix and composition it is positioned to add value to Chorus. At the date of this Information Memorandum, the Board has eight directors (seven independent directors and a managing director) with a broad range of managerial, financial, accounting and industry experience.

The members of the Board at the date of this Information Memorandum are as follows:

Name	Title	Date of appointment
Patrick Strange .....	Chair and Director (Independent)	6 April 2015
Jonathan Hartley .....	Deputy Chair and Director (Independent)	1 December 2011
Anne Urlwin .....	Director (Independent)	1 December 2011
Kathryn McKenzie .....	Managing Director (Non-Independent)	20 February 2017
Jack Matthews .....	Director (Independent)	1 July 2017
Andrew Mark Cross .....	Director (Independent)	1 November 2016
Murray Jordan .....	Director (Independent)	1 September 2015
Prudence Flacks .....	Director (Independent)	1 December 2011

The business address for the Directors of Chorus is 1 Willis Street, Wellington 6011, New Zealand.

The Directors of the Issuer have notified the Issuer's Board of all their directorships and other interests as required under the New Zealand Companies Act 1993.

The biographies of the directors of Chorus as at the date of this Information Memorandum are as follows:

**Patrick Strange**, *BE (Hons), PhD*

Patrick has spent 30 years working as a senior executive and director in both private and listed companies, including for more than six years as Chief Executive of Transpower where he oversaw Transpower's NZ\$3.8 billion of essential investment in the National Grid. Patrick is currently the chair of Auckland International Airport, and a director of Mercury NZ, and is on the board of Essential Energy, Australia. Patrick is chair of Chorus' Nominations and Corporate Governance Committee and a member of its Audit and Risk Management Committee.

**Jonathan Hartley**, *BA Econ Accounting (Hons), Fellow ICA (England & Wales), Associate ICA (Australia), Fellow AICD*

Jon is a Chartered Accountant and Fellow of the Australian Institute of Company Directors. He has held senior roles across a diverse range of commercial and not for profit organisations in several countries, including as chair of SkyCity, deputy chair of ASB Bank, director of Mighty River Power, CEO of Brierley New Zealand and Solid Energy, CFO of Lend Lease in Australia. Jon is currently deputy chairman of Sovereign Assurance Company, chairman of VisionFund International and the Wellington City Mission and a trustee of World Vision New Zealand. Jon is a member of Chorus' Audit and Risk Management Committee and its Nominations and Corporate Governance Committee.

**Anne Urlwin, BCom, CA, CF InstD, FNZIM, MAICD, ACIS**

Anne is chair of construction group Naylor Love Enterprises and a director of Southern Response Earthquake Services, Steel & Tube Holdings, OnePath Life (NZ), Summerset Group and City Rail Link. Anne is also the independent chairman of the Ngai Tahu Te Runanga Audit and Risk Committee. Her previous directorship experience encompasses many sectors, including energy, health, construction, regulatory services, internet infrastructure, research, banking, forestry and the primary sector, as well as education, sports administration and the arts. She is the former chair of Lakes Environmental, the New Zealand Blood Service, internet and domain name registry operator NZRS and a former director of Meridian Energy and Airways Corporation. Anne is chair of Chorus' Audit and Risk Management Committee.

**Kathryn McKenzie, BA, LLB**

Kate has an extensive communications infrastructure background, most recently as Telstra Australia's Chief Operations Officer, responsible for Telstra's field services, IT and network architecture and operations. Prior to that, Kate also held other senior positions at Telstra including Group Managing Director, Innovation, Products and Marketing, Group Managing Director, Wholesale, and Group Managing Director, Regulatory, Public Policy and Communications.

Prior to joining Telstra, Kate was a CEO in the NSW Government of the Departments of Commerce, Industrial Relations and the Workcover Authority. Kate is currently on the board of Allianz, having previously been on the boards of Foxtel, Sydney Water, Reach, CSL and Workcover. She is also a member of Chief Executive Women and has had a long history of involvement in promoting the interests of indigenous communities.

**Jack Matthews, BA Philosophy**

Jack is an experienced Director who has held a number of senior leadership positions within the media, telecommunications and technology industries in Australia and New Zealand. Most recently, Jack was CEO of Fairfax Media's Metro Division where he was responsible for managing and integrating the print, online and mobile assets of The Sydney Morning Herald, The Age and The Canberra Times. Prior to that, Jack was CEO of Fairfax Digital, Chief Operating Officer of Jupiter TV (Japan) and CEO of TelstraSaturn based in Wellington. Jack is currently the chair of MediaWorks and APN Outdoor Group. Jack is a former director of The Network for Learning, Trilogy International and Crown Infrastructure Partners Limited.

**Andrew Mark Cross, BBS, CA**

Mark has extensive corporate finance experience, both as a professional director and consultant, and during his earlier investment banking career. Mark has held senior positions with Deutsche Bank in London and Australia, and prior to that at Lloyds Corporate Finance/Southpac Corporation in Australia and New Zealand. Mark is currently chair of Milford Asset Management, MFL Mutual Fund and Superannuation Investments, and a director of Z Energy. He is also a board member of Triathlon NZ. Mark is a member of Chartered Accountants Australia and New Zealand and the New Zealand Institute of Directors.

**Murray Jordan, MProp**

Murray has extensive experience in the management of highly customer focused organisations and in navigating extremely complex stakeholder environments, including, until recently, as Managing Director of Foodstuffs North Island, one of New Zealand largest companies. Murray has also previously held various general manager positions at Foodstuffs and management roles in the property investment and development sectors. He is a director of Stevenson Group and Metcash Limited, an ASX listed company and a Board Trustee of Starship Foundation. Murray is a member of Chorus' People, Performance & Culture Committee.

**Prudence Flacks, LLB, LLM**

Prue is a director of Bank of New Zealand and Mercury NZ. She is a barrister and solicitor with extensive experience in commercial law and, in particular, banking, finance and securities law. Her areas of expertise include corporate and regulatory matters, corporate finance, capital markets, securitisation and business restructuring. Prue is a consultant to Russell McVeagh, where she was previously a partner for 20 years. Prue is chairman of Chorus' People, Performance & Culture Committee and a member of its Nominations and Corporate Governance Committee.

**Executive team**

The biographies of the executive team of Chorus as at the date of this Information Memorandum are as follows:

**Kathryn McKenzie, BA, LLB**

**Chief Executive Officer**

Kate is the managing director of Chorus. Kate's biography is set out above under "Chorus directors".

**David Collins, BCom, MBA**

**Chief Financial Officer**

David has over 20 years' experience in finance and commercial roles covering businesses in Australia, the UK, Germany and the Middle East. He joined Chorus from Aurizon, Australia's largest rail freight operator, where he had been since 2010. David was the Head of Finance & Regulation – Network for Aurizon. Prior to this, David was the Vice President Finance & Group Treasurer and Group Financial Controller. After completing a Bachelor of Commerce and qualifying as a Chartered Accountant with Deloitte, David gained experience across a number of sectors including mining (BHP Billiton), construction, property development and property asset management (Brookfield Multiplex).

**Andrew Carroll, MCA (Hons)**

**General Manager Network and Field Management**

Andrew moved to the General Manger Network and Field Management role after 6 years as Chorus CFO, holding both roles simultaneously for approximately 6 months. Andrew joined Chorus after nine years with Telecom where he was involved in a range of corporate finance and M&A activity, including Manager Financial Strategy and Head of Mergers & Acquisitions, where he was involved in the Gen-i acquisition and the sale of Yellow Pages. He also worked on the UFB negotiations with CIP and the demerger process. Prior to joining Telecom, Andrew was a director of Investment Banking at Credit Suisse First Boston New Zealand.

**Edward Hyde, BSc**

**General Manager, Chief Customer Officer**

Ed is currently CCO of Chorus. Prior positions include CEO Spark Ventures, CEO Qrious, GM of Mobile Products for Telecom NZ Ltd and Commercial Director for Yes Telecom in the UK. He holds a number of Board roles and has experience across a range of small and large enterprises involving strategic, operational and development responsibilities.

**Elaine Campbell, LLB (Hons)**

**General Counsel and Company Secretary**

Elaine was appointed as General Counsel & Company Secretary in August 2018. She brings 20 years of legal experience to Chorus, together with extensive leadership experience in regulatory change environments. Elaine commenced her career as a solicitor for Kensington Swan before gaining legal experience in both the UK and USA. She was a senior solicitor at Russell McVeagh before joining the NZX Limited executive team where she led a significant change programme. Elaine was the Director of Compliance of the Financial Markets Authority, introducing significant regulatory reforms to the financial services sector. Immediately prior to joining Chorus, Elaine



was the General Counsel for AMP Financial Services and an executive director of the group's operating companies.

**Ewen Powell, BE**

**Chief Technology Officer**

Ewen has over 20 years' experience in managing the technology, services and partnerships that operate a national communications network. He has spent time in both the supplier and operator communities with much of his career spent at Telecom. Ewen's focus is on deploying core enterprise systems to run the business and develop technology capabilities to provision and manage the new fibre network.

**Ian Bonnar, (Diploma in Journalism)**

**General Manager, Corporate Relations**

Ian was appointed General Manager Corporate Relations in October 2014 with overall responsibility for protecting and enhancing the reputation of Chorus with its stakeholders. Before joining Chorus in 2013 he held a range of positions at Telecom, including Head of Communications, and was communications lead on the UFB negotiations and the Chorus demerger. Prior to that he held senior positions at Air New Zealand and Westpac Bank.

**Joanna Crawford, MS**

**General Manager, Customer Care**

Joanna joined Chorus in 2012 and is currently GM Customer Care. Prior to joining Chorus, Joanna worked in multiple industries including but not limited to Telecommunications, Dairy, Agricultural Services & Manufacturing where she has seamlessly transitioned across various leadership roles in Customer Operations, Information Technology and Human Resource Management. In addition to Joanna's Master of Science in Applied Psychology, she also has a Post Graduate Diploma in Industrial and Organisational Psychology from the University of Canterbury.

**Shaun Philp, BCom**

**General Manager, People & Culture**

Shaun was appointed GM HR in September 2017, bringing over 20 years human resources experience, including expertise in supporting leadership and culture, innovation and business execution strategies.

**Vanessa Oakley, LLB (Hons)**

**General Manager, Strategy & Business Operations**

Vanessa was the General Counsel & Company Secretary at Chorus between 2011 and 2018 leading a range of functions and programmes including the turnaround in 2015 of the regulatory decisions that implied a billion dollar funding gap, prior to taking on the General Manager of SBO role in late 2018. Vanessa has held various roles in governance and organisational change during her nearly 20 year career in the public and private sectors.

**Corporate Governance**

*Corporate governance framework*

Chorus is incorporated in New Zealand and has its shares quoted on the New Zealand and Australian stock exchanges.

Chorus' governance practices and policies reflect, and are consistent with the NZX Main Board Listing Rules and we have adopted and fully followed the recommendations set out in the NZX Corporate Governance Code following its implementation. The Board regularly reviews and assesses Chorus' governance policies, processes and practices to identify opportunities for enhancement and to ensure they reflect Chorus' operations and culture.

Chorus has adopted a formal Charter which sets out how the Board will exercise and discharge its powers and responsibilities in relation to the business and affairs of Chorus.

### *Board Committees*

At the date of this Information Memorandum, the Board has established three standing Board Committees to assist it in carrying out its responsibilities. The Board has delegated some of its responsibilities, powers and authorities to those Committees.

- **Audit and Risk Management Committee ("ARMC").** The ARMC assists the Board in ensuring oversight of all matters relating to risk management, financial management and controls and the financial accounting, audit and reporting of Chorus. At the date of this Information Memorandum, its members are Anne Urlwin (chair), Mark Cross and Jon Hartley.
- **People, Performance & Culture Committee ("PPCC").** The PPCC assists the Board in overseeing people policies and strategies, including Chorus' remuneration frameworks, and reviewing candidates for, and the performance and remuneration of, the CEO. At the date of this Information Memorandum, its members are Prudence Flacks (chair), Jack Matthews and Murray Jordan.
- **Nominations and Corporate Governance Committee ("NCGC").** The NCGC assists the Board in promoting and overseeing continuous improvement of good corporate governance. The NCGC's role includes identifying and recommending suitable candidates for nomination to be members of the Board and Board Committees, and establishing, developing and overseeing a process for the Board to annually review and evaluate the performance of the Board, its Committees and individual directors. At the date of this Information Memorandum, its members are Patrick Strange (chair), Jonathan Hartley and Prudence Flacks.

The Board may also establish other ad-hoc Board sub-committees or standing Board committees and delegate specific responsibilities, powers and authorities to those committees and to particular directors.

Each standing Board Committee has a Board approved Charter and chairman, and assists the Board by focusing on specific responsibilities in greater detail than is possible for the Board as a whole. All standing Board Committee members are independent directors.

### *UFB Agreements*

The UFB Agreements also contain provisions relevant to Chorus' governance as described under "*Description of the Chorus Group's Business - Regulation of the Chorus Group*" in this Information Memorandum.

## TAXATION

*References in this section to the terms "associated", "fixed establishment", "registered bank", and "resident in New Zealand" shall have the same meaning given to that term in the Income Tax Act 2007 of New Zealand, unless the context requires otherwise.*

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in the countries described below or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date.

### **New Zealand**

Where used in this section, "interest" means interest as defined under New Zealand tax legislation for withholding tax purposes, which under current legislation includes the excess of the redemption amount over the issue price of any Note.

#### *Non-Resident Withholding Tax*

Although New Zealand law requires a deduction on account of non-resident withholding tax to be made from the payment of interest to any holder of a Note who is not a New Zealand Holder (as defined below), the Issuer and the Guarantors (as applicable) intend (for so long as it does not incur any increased cost or detriment from so doing) to reduce the applicable rate of non-resident withholding tax to zero per cent (in the case of holders of Notes who are not New Zealand Holders and are not associated with the Issuer or the Guarantors (as applicable)) by registering the Programme with the New Zealand Inland Revenue Department and paying, on its own account, a levy (known as Approved Issuer Levy) equal to two per cent of the relevant interest payment.

#### *Resident Withholding Tax*

The Issuer or the Guarantors (as applicable) are required by law to deduct New Zealand resident withholding tax from the payment of interest to the holder of any Note on any Interest Payment Date or the Maturity Date, if:

- (a) the holder is a resident of New Zealand for income tax purposes or otherwise receives payments of principal or interest from the Issuer or a Guarantor subject to the New Zealand resident withholding tax rules, which at the date of this Information Memorandum includes a holder that is engaged in business in New Zealand through a fixed establishment in New Zealand and either holds Notes for the purposes of that business or is a registered bank in New Zealand (a "**New Zealand Holder**"); and
- (b) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes.

Where a person who is a non-New Zealand Holder, derives interest under a Note or Coupon jointly with one or more persons, and one or more of those persons is a resident of New Zealand for income tax purposes, the approved issuer levy regime referred to in paragraph (a) above will not apply to the non-New Zealand Holder and (subject to any applicable double tax treaty) the New Zealand non-resident withholding tax imposed will equate to the applicable rate of New Zealand resident withholding tax.

Prior to any Interest Payment Date or Maturity Date any New Zealand Holder:

- (a) must notify the Issuer or the Guarantors (as applicable) or a Paying Agent or Registrar (as applicable) that the New Zealand Holder is the holder of a Note; and

- (b) must notify the Issuer or the Guarantors (as applicable) or a Paying Agent or Registrar (as applicable) of any circumstances, and provide the Issuer or the Guarantors (as applicable) or the relevant Paying Agent or Registrar (as applicable) with any information, that may enable the Issuer or the Guarantors (as applicable) to make the payment of Interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

A New Zealand Holder must notify the Issuer and the Guarantors (as applicable), prior to any Interest Payment Date or the Maturity Date, of any change in the New Zealand Holder's circumstances from those previously notified that could affect the Issuer's or the Guarantor's payment or withholding obligations in respect of any Note. By accepting payment of the full face amount of a Note or any interest thereon on any Interest Payment Date or Maturity Date, a New Zealand Holder will be deemed to have indemnified the Issuer or the Guarantors (as applicable) for all purposes in respect of any liability which the Issuer or the Guarantors (as applicable) may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

### **The Proposed Financial Transaction Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However Estonia has ceased to participate.

The Commission's Proposal has very broad scope and could, if introduced in the form proposed by the European Commission, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Members States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (the "**Programme Agreement**") dated 10 April 2019, agreed with the Issuer a basis upon which they or any of them may from time to time agree to subscribe the Notes. Any such agreement will extend to those matters stated under "*Forms of the Notes*" and "*Terms and Conditions of the Notes*". The Issuer will pay each relevant Dealer a commission as agreed between them in respect of the Notes subscribed by it. Where the Issuer agrees to sell to the Dealer(s), who agree to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Notes at an issue price (the "**Issue Price**"), any subsequent offering of those Notes to investors may be at a price different from such Issue Price. The Issuer has agreed to be responsible for certain of the Arrangers' expenses incurred in connection with the establishment, and any future update, of the Programme and reimburse the Dealers certain of their activities in connection with the Programme. The commissions in respect of an issue of the Notes on a syndicated basis may be stated in the relevant Pricing Supplement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

In connection with the issue of any Tranche of the Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions, to the extent permitted by applicable laws, regulations and rules, and other than in the circumstances where such action would reasonably be expected to affect the price of the Notes traded within Australia or New Zealand or on a "financial market", as defined in the Australian Corporations Act, operated within Australia with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilising Manager(s) to do this. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of the Notes is made. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

In connection with each Series of the Notes issued under the Programme, the Dealers or certain of their affiliates may subscribe or purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or affiliates at the same time as the offer and sale of each Series of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Series of the Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Series of the Notes).

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Original Guarantor or their respective subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such

transactions, investments and securities activities may involve securities and instruments of the Issuer, the Original Guarantor or their respective subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of the Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of the Notes.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Dealer or any affiliate of that Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

In connection with an issue of the Notes under the Programme, the Issuer may, pursuant to the subscription agreement relating to such issue, agree to pay, through the Dealers, a commission to certain private banks based on the principal amount of the Notes purchased by the clients of such private banks. If such commission is payable, it shall be specified in the Pricing Supplement relating to such issue of the Notes.

### **Selling Restrictions**

**United States of America:** *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Pricing Supplement or neither if TEFRA is specified as not applicable in the relevant Pricing Supplement.*

The Notes are being offered and sold outside the United States of America to persons that are non-U.S. persons and in reliance on Regulation S under the Securities Act. The Notes and the guarantees thereof have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the benefit of, a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells any Notes during the distribution compliance period, as defined in Regulation S under the Securities Act, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **European Economic Area**

Each Dealer represents and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation 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 Directive 2003/71/EC (as amended or superseded); and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,
 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** 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 any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor, and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### Hong Kong

Each Dealer represents, warrants and agrees:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**"), other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.

32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## **Singapore**

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified from time to time (the "**SFA**") pursuant to section 274 of the SFA) (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) 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:

- (x) 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
- (y) a trust (where the trustee of which is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an individual who is an accredited investor,

securities or securities-based derivative contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.



## Japan

The Notes have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). 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 (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or the Notes has been or will be 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 it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for the issue, sale or purchase of the Notes in 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 its equivalent in other currencies) (disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Australian Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of sections 761G and 761GA of the Australian Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC.

## New Zealand

This programme is a wholesale programme. No action has been taken to permit Notes to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand ("**FMCA**"). In particular, no product disclosure statement under the FMCA has been prepared or lodged in New Zealand in relation to the Notes.

Each Dealer has represented, warranted and agreed that it will not offer or sell any Notes in New Zealand, or distribute or publish in New Zealand any offering material or advertisement in relation to any offer of Notes, other than to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 to the FMCA, which includes a person who is:

- (a) an "investment business";
- (b) "large"; or

(c) a "government agency",

in each case as defined in Schedule 1 to the FMCA, provided (for the avoidance of doubt) that Notes may not be offered or sold to any "eligible investor" (as defined in clause 41 of Schedule 1 to the FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

### **General**

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Information Memorandum or any Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands this Information Memorandum or any Pricing Supplement comes are required by the Issuer, the Guarantors and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Information Memorandum or any Pricing Supplement or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Information Memorandum.

## GENERAL INFORMATION

### Authorisation

- The update of the Programme was authorised by resolution of the Issuer passed on 3 April 2019 and by resolution of the Original Guarantor passed on 3 April 2019. Each of the Issuer and the Original Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the Guarantee.

### Listing of the Notes

- For the listing of any Notes which are agreed at the time of issue thereof to be listed on the ASX, application will be made by the Issuer to ASX Limited. Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of that system.

### Legal and Arbitration Proceedings

- There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or the Original Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Information Memorandum, a significant effect on the financial position or profitability of the Issuer, the Original Guarantor or the Chorus Group (taken as a whole).

### Significant/Material Change

- There has been no material adverse change in the prospects of the Issuer, the Original Guarantor or the Chorus Group (taken as a whole) since 30 June 2018.
- There has been no significant change in the financial or trading position of the Issuer, the Original Guarantor or the Chorus Group (taken as a whole) since 30 June 2018.

### Auditors

- The auditors of the Issuer and the Original Guarantor are KPMG, a New Zealand partnership. KPMG have audited the consolidated financial statements of the Issuer without qualification, in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing, for the years ended 30 June 2018 and 30 June 2017.

KPMG's address is 10 Customhouse Quay, Wellington, New Zealand.

KPMG partners are members of the New Zealand Institute of Chartered Accountants.

### Documents on Display

- Copies of the following documents may be inspected during normal business hours at the offices of the Principal Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom for 12 months from the date of this Information Memorandum:
  - a. the constitution of the Issuer;
  - b. the constitution of the Original Guarantor;
  - c. the Trust Deed;

- d. the Agency Agreement; and
- e. the Programme Agreement.

**Clearing of the Notes**

- The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

**Legal Entity Identifier**

- Chorus' Legal Entity Identifier is R7NJHU48LTCIOB9BVU57.

## DEFINED TERMS

<b>NZ\$ or New Zealand dollars</b>	the lawful currency of New Zealand from time to time
<b>U.S.\$ or U.S. dollars</b>	the lawful currency of the United States of America from time to time
<b>EUR or euro</b>	the lawful currency for the time being of the member states of the European Union that adopt the single currency introduced at the start of the third stage of European Economic Monetary Union pursuant to the Treaty of Rome of 25 March 1957 establishing the European Community as amended from time to time
<b>£ or GBP</b>	the lawful currency of the United Kingdom from time to time
<b>2010 PD Amending Directive</b>	Directive 2010/73/EU
<b>Accountholders</b>	a person shown in the records of a Clearing System as being entitled to an interest in a Bearer Global Note
<b>Additional Financial Centre</b>	in respect of a Tranche of Notes, an Additional Financial Centre as specified in the applicable Pricing Supplement
<b>Agents</b>	means the Principal Paying Agent, the Paying Agents, Transfer Agents, Calculation Agents, Replacement Agents and the Registrar
<b>Amendment Act</b>	The Telecommunications (New Regulatory Framework) Amendment Act 2018
<b>Arranger</b>	Citigroup Global Markets Limited
<b>ASX</b>	the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691)
<b>Australian Corporations Act</b>	the Corporations Act 2001 (Cth) of Australia
<b>Baseband</b>	the Chorus Group's baseband product. The baseband product is a technology neutral voice input service that is bundled with a broadband product but can be provided on a standalone basis should a customer not require a broadband connection
<b>Bearer Global Notes</b>	the Temporary Global Note and the Permanent Global Note and the <b>Bearer Global Note</b> means either one of them
<b>Bearer Notes</b>	Notes in bearer form
<b>Bitstream</b>	a stream of data in binary form
<b>Board</b>	the board of directors of Chorus
<b>Business Day</b>	a day (other than a Saturday or a Sunday) on which registered banks are generally open for business in Auckland and Wellington
<b>CEO</b>	chief executive officer
<b>CFO</b>	chief financial officer
<b>CHESS</b>	the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Limited (ABN 49 008 504 532)

<b>Chorus</b>	Chorus Limited
<b>Chorus Group</b>	Chorus and all of its wholly owned subsidiaries
<b>CIP</b>	Crown Infrastructure Partners Limited, previously known as Crown Fibre Holdings Limited, incorporated in New Zealand on 29 October 2009 with company number 2346751
<b>Classic Global Note</b>	a Global Note not issued in New Global Note form
<b>Clearing System</b>	Euroclear, Clearstream, Luxembourg or any other clearing system as may be specified in the relevant Pricing Supplement
<b>Clearstream, Luxembourg</b>	Clearstream Banking S.A.
<b>Conditions</b>	the terms and conditions to be endorsed on, or incorporated by reference in, the Notes of any Series, in the form set out herein or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the Issuer, the Guaranteeing Subsidiaries, the Principal Paying Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Pricing Supplement applicable to such Series, as any of the same may from time to time be modified in accordance with the Trust Deed
<b>Coupons</b>	in relation to a Bearer Definitive Note, an interest coupon
<b>Copper Undertakings</b>	undertakings which the Issuer has entered into pursuant to the Telco Act relating to the provision of copper products within the New Zealand telecommunications market
<b>CRA Regulation</b>	Regulation (EU) No 1060/2009 of the European Parliament, as amended and of the Council of 16 September 2009 on credit rating agencies
<b>Crown</b>	Her Majesty the Queen acting in right of New Zealand
<b>Dealers</b>	any person appointed as a Dealer by the Programme Agreement and any other person which the Issuer may appoint as a Dealer and notice of whose appointment has been given to the Principal Paying Agent and the Trustee by the Issuer in accordance with the provisions of the Programme Agreement but excluding any entity whose appointment has been terminated in accordance with the terms of the Programme Agreement and notice of whose termination has been given to the Principal Paying Agent and the Trustee by the Issuer in accordance with the provisions of the Programme Agreement and references to the " <b>relevant Dealer(s)</b> " mean, in relation to any Note, the Dealer(s) with whom the Issuer has agreed the issue and purchase of such Note
<b>Deed of Amendment and Acknowledgment</b>	the Deed of Amendment and Acknowledgment dated 30 August 2017 between CIP and Chorus.
<b>Deed of Operational and Governance Undertakings</b>	the deed of operational and governance undertakings dated 11 November 2011 in favour of the Crown, which imposes certain operational and governance undertakings on Chorus
<b>Definitive Notes</b>	bearer Notes in definitive form
<b>DSL</b>	Digital Subscriber Line, a family of communications technologies allowing high-speed data over existing copper-based access networks in the local loop. Globally, DSL copper based access networks are being replaced by ultra-fast fibre based access networks in the form of FTTP and FTTP
<b>ECB</b>	the European Central Bank

<b>EMTN</b>	Euro medium term note
<b>Euroclear</b>	Euroclear Bank SA/NV
<b>Eurosystem</b>	the central banking system for the euro
<b>Event of Default</b>	has the meaning given to it in the Conditions
<b>Fibre Undertakings</b>	undertakings which Chorus has entered into pursuant to the Telco Act, relating to the provision of fibre products within the New Zealand telecommunications market
<b>Fixed Rate Notes</b>	has the meaning given to it in the Conditions
<b>Floating Rate Notes</b>	has the meaning given to it in the Conditions
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>FTT</b>	the proposed financial transaction tax proposed by the European Commission
<b>FTTN</b>	fibre-to-the-node, a local access network architecture with fibre from the local exchange to the roadside cabinet and a copper connection from the roadside cabinet to the end-consumer premises. Typically the FTTN local access network architecture allows for higher data speeds and capacity than if the end-consumer premises is served with copper from the local exchange, but lower speeds and capacity than a FTTP local access network
<b>FTTP</b>	fibre-to-the-premises, an all-fibre local access network architecture with fibre from the local exchange to the end-consumer premises. Typically the FTTP local access network architecture allows for the highest data speeds and capacity which enables high bandwidth end-consumer services such as IPTV. The objective of the first stage of the New Zealand Government led UFB programme is to deploy ultrafast broadband via a FTTP network to 75% of New Zealanders by 2019
<b>GB</b>	gigabytes
<b>Global Note</b>	any Temporary Global Note, Permanent Global Note or Registered Global Note
<b>GPON</b>	Gigabit Passive Optical Network
<b>Guarantee</b>	a guarantee and indemnity provided pursuant to clause 5 of the Trust Deed
<b>Guaranteeing Subsidiaries</b>	at any time, the Original Guarantor and any other Subsidiary of the Issuer which, pursuant to the Clause 5.10 of the Trust Deed becomes a Guaranteeing Subsidiary but excluding any Subsidiary which has been released from its guarantee and indemnity pursuant to Clause 5.11 of the Trust Deed
<b>HSNS</b>	High-Speed Network Service
<b>Inverse Floating Rate Notes</b>	means a Note with an interest rate equal to a fixed rate minus a rate based upon a reference rate
<b>Investor's Currency</b>	a currency, other than the Specified Currency, in which an investor's financial activities are principally denominated
<b>ICSDs</b>	Euroclear and Clearstream, Luxembourg
<b>Information Memorandum</b>	the Information Memorandum dated 10 April 2019, of which this glossary forms a part

<b>IP</b>	internet protocol, a communications protocol suite used for carrying data on the internet. Within telecommunications networks globally traditional analogue networks based on copper cables are being replaced with IP based networks based on fibre
<b>IPTV</b>	Internet Protocol Television, a service whereby television is delivered via the internet or another access network
<b>IRD</b>	the New Zealand Inland Revenue Department
<b>Issue Date</b>	in respect of a series of Notes, the date on which such notes are issued
<b>Issuer</b>	Chorus Limited
<b>IT</b>	Information Technology, a generic term for any technology relating to information processing or information transport
<b>Layer 1</b>	Layer 1 within the OSI model is classified as the physical layer and within a telecommunications fixed access network this can be considered to comprise copper and fibre cables and co-location space inside exchanges or cabinets
<b>Layer 2</b>	Layer 2 within the OSI model is classified as the data link layer and provides the functional and procedural means to transfer data between network entities. Within the telecommunications fixed access network this can be considered to comprise the Bitstream equipment and services which transmit basic data from one point in the network to another over the Layer 1 physical assets
<b>LFC</b>	a local fibre company, being an entity in which CIP, the New Zealand Government and a partner hold shares, and through which the investment of CIP and the partner in relation to the UFB programme is effected
<b>Material Subsidiaries</b>	has the meaning given to it in the Trust Deed
<b>Mbps</b>	megabits per second
<b>Member State</b>	a member state of the European Economic Area
<b>Minister</b>	Minister of Broadcasting, Communications and Digital Media
<b>Moody's</b>	Moody's Investors Service Pty Limited
<b>Negative Pledge</b>	the negative pledge described in Condition 6
<b>Commerce Commission</b>	the New Zealand competition regulator established pursuant to the Commerce Act 1986
<b>New Global Note</b>	a Global Note which is intended to be issued in new global note form
<b>New Zealand Government</b>	the elected government of New Zealand
<b>NIPA</b>	means NIPA1 and/or NIPA2
<b>NIPA1</b>	the Network Infrastructure Project Agreement dated 24 May 2011 as amended by letter dated 26 January 2017 between Chorus and CIP, a public private partnership contract
<b>NIPA2</b>	the Network Infrastructure Project Agreement dated 26 January 2017 between the Issuer and CIP, a public private partnership contract
<b>Notes</b>	bearer, registered or other notes issued under the Programme
<b>NZ Post</b>	New Zealand Post Limited



<b>NZX</b>	NZX Limited, or the financial market operated by NZX, as the context requires
<b>NZX Listing Rules</b>	the listing rules of the NZX and <b>NZX Listing Rule</b> means a rule contained in the NZX Listing Rules
<b>Original Guarantor</b>	Chorus New Zealand Limited, incorporated in New Zealand on 1 July 2011 with company number 3454256
<b>OSI model</b>	the Open Systems Interconnection model, under which 'layers' subdivide the telecommunications system from the physical assets in the ground right through to the application on a computer being used by an end-consumer
<b>Permanent Global Note</b>	has the meaning given to it in the Conditions
<b>Potential Event of Default</b>	has the meaning given to it in the Trust Deed
<b>Premises</b>	a single building or structure located on a defined geographical site (such as may be evidenced by a certificate of title), which has a unique physical address recognised by NZ Post, and is occupied by or could readily be occupied by a potential end-consumer
<b>Pricing Supplement</b>	the final terms prepared in relation to a Tranche of Notes issued under the Programme (substantially in the form set out in the Information Memorandum) and giving details of that Tranche
<b>Principal Paying Agent</b>	Citibank, N.A., London Branch or such other person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the Relevant Pricing Supplement
<b>Programme</b>	the Euro Medium Term Note programme described in the Information Memorandum of which this glossary forms a part
<b>Programme Agreement</b>	the amended and restated programme agreement dated 10 April 2019 between the Issuer, the Original Guarantor, and Citigroup Global Markets Limited
<b>PSTN</b>	the Public Switched Telephone Network, a nationwide dial-up telephone network used, or intended for use, in whole or in part, by the public for the purposes of providing telecommunications between telephone devices
<b>Registered Global Note</b>	a registered global note in the form or substantially in the form set out in Part C of Schedule 2 of the Trust Deed with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Registered Notes of the same Series, issued by the Issuer pursuant to the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) and the Trust Deed
<b>Registered Notes</b>	Notes which are issued in registered form
<b>Registrar</b>	in relation to all or any Series of the Registered Notes, Citibank, N.A., London Branch at its office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom or, if applicable, any successor registrar
<b>Responsible Persons</b>	Chorus Limited and Chorus New Zealand Limited
<b>RSP</b>	Retail Service Provider
<b>S&amp;P Global</b>	S&P Global Ratings Australia Pty Ltd

<b>Securities Act</b>	the United States Securities Act of 1933, as amended
<b>SLES</b>	sub loop extension service, which allows RSPs to connect a sub-loop UCLL line from a cabinet to the telephone exchange to enable them to continue to offer phone and broadband service from the exchange in areas that have been cabinetised
<b>SLU</b>	sub loop unbundling. SLU services allow RSPs to connect directly to the roadside cabinet (as opposed to the exchange in UCLL co-location) owned by the Chorus Group to connect and utilise the final local access connection to an end-consumer premises
<b>SME</b>	small and medium-sized enterprises
<b>Spark</b>	Spark New Zealand Limited
<b>Spark Wholesale</b>	the wholesale unit of Spark
<b>Specified Currency</b>	in relation to a series of Notes, has the meaning given to it in the relevant Pricing Supplement
<b>Specified Denomination</b>	in relation to a series of Notes, has the meaning given to it in the relevant Pricing Supplement
<b>Subsidiary</b>	means, in respect of any person (the " <b>first person</b> ") at any particular time, any other person (the " <b>second person</b> "): <ul style="list-style-type: none"> <li>(a) <i>Control</i>: whose affairs and policies the first person controls or has the power to control (directly or indirectly), whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or</li> <li>(b) <i>Consolidation</i>: whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person;</li> </ul>
<b>Talon</b>	if indicated in the applicable Pricing Supplement, talons for further coupons on interest bearing Bearer Notes
<b>Target Settlement Day</b>	has the meaning given to it in the Conditions
<b>TDL</b>	the Telecommunications Development Levy imposed under the Telco Act
<b>TEFRA C Rules</b>	United States Treasury Regulation §1.163-5(c)(2)(i)(C)
<b>TEFRA D Rules</b>	United States Treasury Regulation §1.163-5(c)(2)(i)(D)
<b>Telco Act</b>	the Telecommunications Act 2001 of New Zealand
<b>Telecom</b>	Telecom Corporation of New Zealand Limited (now Spark) prior to the demerger with Chorus
<b>Temporary Global Note</b>	has the meaning given to it in the Conditions
<b>TICSA</b>	the Telecommunications (Interception Capability and Security) Act 2013 of New Zealand
<b>Tranche</b>	Notes subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations
<b>Trust Deed</b>	the amended and restated trust deed dated 28 September 2016 between Chorus Limited, Chorus New Zealand Limited and the Law Debenture Trust Corporation p.l.c.

<b>Trustee</b>	The Law Debenture Trust Corporation p.l.c.
<b>TRL</b>	the Telecommunications Regulatory Levy
<b>TSLRIC</b>	Total Service Long Run Incremental Cost
<b>TSO</b>	the Telecommunications Service Obligation recorded in the Telecommunications Service Obligation deed
<b>UBA</b>	unbundled bitstream access. UBA services allow RSPs direct access to the high speed access links between the exchange and an end-consumer premises that has been installed by the Chorus Group. RSPs are then able to install their own equipment in the local access network to deliver high speed broadband services, rather than having to utilise the Chorus Group's equipment
<b>UBA Backhaul</b>	unbundled bitstream access (UBA) backhaul and allows RSPs to access the regional backhaul network to enable them to build a nationwide presence incrementally, without having to invest in their own dedicated backhaul. Within New Zealand UBA backhaul services are a regulated set of services and products offered by the Chorus Group
<b>UBA STD</b>	UBA Standard Terms Determination
<b>UCLFS</b>	the unbundled copper low frequency service, a technology neutral voice input service offered over the copper access network
<b>UCLL</b>	unbundled copper local loop. UCLL services enable RSPs to directly access a copper access line to deliver phone and internet services via their own equipment
<b>UFB</b>	ultrafast broadband
<b>UFB Agreement</b>	means the UFB1 Agreement and/or the UFB2 Agreement
<b>UFB network</b>	the fibre-to-the-premises network constructed pursuant to the UFB network build
<b>UFB services</b>	fibre services with terms set under the UFB1 Agreement until the end of 2019 and set under the UFB2 Agreement until the end of 2025
<b>UFB1</b>	the first phase of the UFB programme announced by the New Zealand Government
<b>UFB2</b>	the second phase of the UFB programme announced by the New Zealand Government, including UFB2+
<b>UFB2+</b>	means the extension of UFB2 pursuant to the Deed of Amendment and Acknowledgment
<b>UFB1 Agreement</b>	means the contracts entered into by Chorus relating to the Chorus Group's participation in the first stage of the New Zealand Government's UFB programme
<b>UFB2 Agreement</b>	means the contracts entered into by Chorus relating to the Chorus Group's participation in the second stage of the New Zealand Government's UFB programme
<b>United States</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>VDSL</b>	very high bit rate digital subscriber line, a high speed variant of the DSL family of products

<b>VDSL2</b>	very high bit rate digital subscriber line, the highest speed variant of the DSL family of products
<b>Vodafone</b>	Vodafone New Zealand Limited
<b>VoIP</b>	Voice over Internet Protocol, a term used in IP telephony for managing the delivery of voice information using the IP
<b>Voters</b>	Holders of Notes voting (either in person or by proxy) at a meeting of noteholders

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- (1) CHORUS LIMITED  
(2) THE LAW DEBENTURE TRUST CORPORATION p.l.c.  
(3) CHORUS NEW ZEALAND LIMITED

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AMENDED AND RESTATED TRUST DEED  
RELATING TO  
U.S.\$2,000,000,000 EURO GUARANTEED MEDIUM  
TERM NOTE PROGRAMME

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**THIS TRUST DEED** is made on 10 April 2019

**BETWEEN**

- (1) **CHORUS LIMITED** (the "**Issuer**");
- (2) **CHORUS NEW ZEALAND LIMITED** (the "**Original Guarantor**"); and
- (3) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.** (the "**Trustee**", which expression includes, where the context admits, all persons for the time being the trustee or trustees of this Trust Deed).

**WHEREAS**

- (A) The Issuer has authorised the establishment of a Euro Guaranteed Medium Term Note Programme pursuant to which the Issuer may issue from time to time Notes as set out herein (the "**Programme**"). In connection with the Programme, the Issuer, the Original Guarantor and the Trustee entered into a trust deed dated 30 August 2011, as amended and restated on 28 September 2016 (the "**Original Trust Deed**"). The Issuer and the Original Guarantor have updated the Programme by, *inter alia*, amending and restating the Original Trust Deed by the terms of this amended and restated Trust Deed. Notes up to a maximum nominal amount from time to time outstanding of U.S.\$2,000,000,000 (subject to increase as provided in the Programme Agreement (as defined below)) (the "**Programme Limit**") may be issued pursuant to the said Programme.
- (B) The Original Guarantor has authorised the giving of its guarantee in relation to all Notes to be issued under the Programme.
- (C) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

**NOW THIS TRUST DEED WITNESSES AND IT IS HEREBY DECLARED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Trust Deed the following expressions have the following meanings:

"**Agents**" means, in relation to the Notes of any Series, the Principal Paying Agent, the other Paying Agents, the Transfer Agents and any Calculation Agent or Registrar, and "**Agent**" means any of them;

"**Applicable Law**" means any law or regulation;

"**Appointee**" means any delegate, agent, nominee or custodian appointed pursuant to the provisions of this Trust Deed;

"**Auditors**" means the auditors for the time being of the Issuer or, as the context may require, a Guarantor (which shall in each case be a qualified auditor as defined in the Financial Reporting Act 2013, if so required by that Act) and, if there are joint auditors, means all or any one of such joint auditors or, in the event of any of them being unable

or unwilling to carry out any action requested of them pursuant to this Trust Deed, means such other firm of chartered accountants in New Zealand as may be nominated in writing by the Trustee for the purpose;

**"Authorised Signatory"** means:

- (a) in relation to the Issuer, any Director of the Issuer or any other person or persons notified to the Trustee by any such Director as being an Authorised Signatory pursuant to sub-clause 7.17 (*Authorised Signatories*); and
- (b) in relation to a Guarantor, any Director of the Guarantor or any other person or persons notified to the Trustee by any Director of the Guarantor as being an Authorised Signatory pursuant to sub-clause 7.17 (*Authorised Signatories*);

**"Authority"** means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction;

**"Bearer Notes"** means Notes issued in bearer form;

**"Calculation Agent"** means, in relation to the Notes of any Series, the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and or such other amount(s) as may be specified in the relevant Pricing Supplement;

**"CGN Global Note"** means any CGN Permanent Global Note, CGN Registered Global Note or CGN Temporary Global Note;

**"CGN Permanent Global Note"** means a Permanent Global Note representing Notes for which the relevant Pricing Supplement specify that the New Global Note form is not applicable;

**"CGN Registered Global Note"** means a Registered Global Note representing Notes for which the relevant Pricing Supplement specify that the New Global Note form is not applicable;

**"CGN Temporary Global Note"** means a Temporary Global Note representing Notes for which the relevant Pricing Supplement specify that the New Global Note form is not applicable;

**"Clearstream, Luxembourg"** means Clearstream Banking S.A.;

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended;

**"Common Safekeeper"** means an ICSD in its capacity as common safekeeper or a person nominated by the ICSDs to perform the role of common safekeeper;

**"Conditions"** means the terms and conditions to be endorsed on, or incorporated by reference in, the Notes of any Series, in the form set out in Schedule 1 or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the Issuer, the Guarantors, the Principal Paying Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Pricing Supplement applicable to such Series, as any of the same may from time to time be modified in accordance

with this Trust Deed and any reference in this Trust Deed to a particular numbered Condition shall be construed in relation to the Notes of such Series accordingly;

"**Contractual Currency**" means, in relation to any payment obligation of any Note, the currency in which that payment obligation is expressed and, in relation to Clause 12.1 (*Remuneration*), pounds sterling or such other currency as may be agreed between the Issuer and the Trustee from time to time;

"**Couponholder**" means the holder of a Coupon;

"**Coupons**" means any bearer interest coupons in or substantially in the form set out in Part F of Schedule 2 appertaining to the Bearer Notes of any Series and for the time being outstanding or, as the context may require, a specific number thereof and includes any replacement Coupons issued pursuant to Condition 16 and, where the context so permits, the Talons appertaining to the Bearer Notes of such Series;

"**Dealers**" means any person appointed as a Dealer by the Programme Agreement and any other person which the Issuer may appoint as a Dealer and notice of whose appointment has been given to the Principal Paying Agent and the Trustee by the Issuer in accordance with the provisions of the Programme Agreement but excluding any entity whose appointment has been terminated in accordance with the terms of the Programme Agreement and notice of whose termination has been given to the Principal Paying Agent and the Trustee by the Issuer in accordance with the provisions of the Programme Agreement and references to the "**relevant Dealer(s)**" mean, in relation to any Note, the Dealer(s) with whom the Issuer has agreed the issue and purchase of such Note;

"**Definitive Bearer Note**" means a Bearer Note in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) in exchange for either a Temporary Global Note or part thereof or a Permanent Global Note (all as indicated in the applicable Pricing Supplement), such Bearer Note in definitive form being in the form or substantially in the form set out in Part D of the Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to this Trust Deed) as indicated in the applicable Pricing Supplement and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Pricing Supplement endorsed thereon or attached thereto and (except in the case of a Zero Coupon Note in bearer form) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue;

"**Definitive Note**" means a Definitive Bearer Note and/or, as the context may require, Definitive Registered Note;

"**Definitive Registered Note**" means a Registered Note in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s), the Paying Agency Agreement and these presents in exchange for a Temporary Global Note, a Permanent Global Note or a Registered Global Note (all as

indicated in the applicable Pricing Supplement), such Registered Note in definitive form being in the form or substantially in the form set out in Part E of Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to this Trust Deed) as indicated in the applicable Pricing Supplement and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Pricing Supplement endorsed thereon or attached thereto and having a form of transfer endorsed thereon;

**"Director"** means any Director of the Issuer (or a Guarantor, as applicable) from time to time;

**"Dual Currency Note"** means a Note on which rate or amount of interest payable is calculated by reference to an exchange rate on such dates and in such manner as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Pricing Supplement);

**"Euroclear"** means Euroclear Bank SA/NV;

**"Event of Default"** means any one of the circumstances described in Condition 14 but (in the case of any of the events described in paragraphs (c), (d), (f) or (or in the case of any event having an analogous effect to (c), (d) or (f)) (g) thereof in relation to the Issuer or a Guarantor) only if such event is, pursuant to the provisions of Condition 14, certified by the Trustee to be materially prejudicial to the interests of the Noteholders;

**"Extraordinary Resolution"** has the meaning set out in Schedule 2, Part I;

**"FATCA Withholding"** means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement);

**"Pricing Supplement"** has the meaning ascribed to it in the Terms and Conditions;

**"Fixed Rate Note"** means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Pricing Supplement);

**"Floating Rate Note"** means a Note on which interest is calculated at a floating rate payable at intervals of one, two, three, six or twelve months or at such other intervals as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Pricing Supplement);

**"Global Note"** means, any Temporary Global Note, Permanent Global Note, Registered Global Note and includes CGN Global Notes and NGN Global Notes;

**"Group"** means the Issuer and its Subsidiaries from time to time;

**"Guarantee"** means the guarantee and indemnity provided by the Guarantors under Clause 5;

**"Guaranteeing Subsidiary"** means, at any time, the Original Guarantor and any other Subsidiary which, pursuant to Clause 5.10 becomes a Guaranteeing Subsidiary but excluding any Subsidiary which has been released from its guarantee and indemnity pursuant to Clause 5.11;

**"Guarantors"** means, at any time, the Guaranteeing Subsidiaries at that time;

**"ICSDs"** means Clearstream, Luxembourg and Euroclear;

**"Issue Date"** means, in relation to any Note, the date of issue of such Note pursuant to the Programme Agreement or any other relevant agreement between the Issuer, the Guarantors and the relevant Dealer(s);

**"Interest Commencement Date"** means, in relation to any interest-bearing Note, the date specified in the relevant Pricing Supplement from which such Note bears interest or, if no such date is specified therein, the Issue Date;

**"Liabilities"** means any loss, damage, cost, charge, claim, demand, expense (including legal expenses), judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax, goods and services tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

**"Material Subsidiary"** means a Subsidiary all of the shares of which are beneficially owned by the Issuer and/or any of the Guarantors, but excluding:

- (a) any Subsidiary in respect of which both (i) the profits, before tax and extraordinary items, are not greater than 10 per cent, of the consolidated profits, before tax and extraordinary items, of the Group and (ii) the Total Tangible Assets represent not more than 10 per cent of the Total Tangible Assets of the Group, in both cases determined by reference to the most recently published annual audited financial statements (consolidated if applicable) of the relevant Subsidiary or, if none, the most recent annual financial statements of such Subsidiary prepared for the purposes of the New Zealand Financial Reporting Act 2013 and the most recently published annual audited consolidated financial statement for the Group; or
- (b) any Subsidiary whose principal business is restricted to the business of a bank, finance company or other financial intermediary or insurance company, or (in the case of a Subsidiary incorporated outside New Zealand) the business of raising and/or investing funds, or any subsidiary of any such company.

**"New Global Note"** means each Global Note which is intended to be issued in new global note form;

**"NGN Global Note"** means any NGN Permanent Global Note, NGN Registered Global Note or NGN Temporary Global Note;

"**NGN Permanent Global Note**" means a Permanent Global Note representing Notes for which the relevant Pricing Supplement specify that the New Global Note form is applicable;

"**NGN Registered Global Note**" means a Registered Global Note representing Notes for which the relevant Pricing Supplement specify that the New Global Note form is applicable;

"**NGN Temporary Global Note**" means a Temporary Global Note representing Notes for which the relevant Pricing Supplement specify that the New Global Note form is applicable;

"**Noteholder**" and (in relation to a Note) "**holder**" means (in the case of a Bearer Note) the bearer of a Note and (in the case of a Registered Note) a person in whose name the Note is registered in the Registrar (or in the case of joint holders the first named thereof) save that, for so long as the Notes of any Series are represented by a Global Note each person who has for the time being a particular principal amount of such Notes credited to his securities account in the records of Clearstream, Luxembourg or Euroclear shall be deemed to be the Noteholder in respect of the principal amount of such Notes for all purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, solely in the bearer, in the case of a Bearer Note in Global Note form, or registered holder in the case of a Registered Global Note in accordance with and subject to the terms of this Trust Deed and such Global Note;

"**Notes**" means the notes of each Series constituted in relation to or by this Trust Deed which shall be in or substantially in the form set out in Schedule 2 and which may be in either Bearer or Registered form and, for the time being outstanding or, as the case may be, a specific number thereof and includes any replacement Notes of such Series issued pursuant to Condition 16 and (except for the purposes of Clause 4.1 (*Global Bearer Notes*) and 4.4 (*Signature*)) each Global Note in respect of such Series for so long as it has not been exchanged in accordance with the terms thereof;

"**outstanding**" means, in relation to the Notes of any Series, all the Notes of such Series other than:

- (a) those which have been redeemed in accordance with this Trust Deed;
- (b) those in respect of which the date for redemption in accordance with the provisions of the Conditions has occurred and for which the redemption moneys (including all interest accrued thereon to the date for such redemption) have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Paying Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 20) and remain available for payment in accordance with the Conditions;
- (c) those which have been purchased and surrendered for cancellation as provided in Condition 11 and notice of the cancellation of which has been given to the Trustee;
- (d) those which have become void under Condition 15;

- (e) those mutilated or defaced Notes which have been surrendered or cancelled and in respect of which replacement Notes have been issued pursuant to Condition 16;
- (f) (for the purpose only of ascertaining the aggregate nominal amount of Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 16;
- (g) any Temporary Global Note to the extent that it shall have been exchanged for Definitive Bearer Notes, Definitive Registered Notes or a Permanent Global Note, any Permanent Global Note to the extent that it shall have been exchanged for Definitive Bearer Notes or Definitive Registered Notes and any Registered Global Note to the extent that it shall have been exchanged for Definitive Registered Notes, in each case pursuant to its provisions, the provisions of these presents and the Paying Agency Agreement,

*provided that* for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the holders of Notes of any Series;
- (ii) the determination of how many and which Notes of any Series are for the time being outstanding for the purposes of Clauses 9.1 (*Legal Proceedings*) and 8.1 (*Waiver*), Conditions 14 and 18 and Schedule 3; and
- (iii) any discretion, power or authority, whether contained in this Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the holders of the Notes of any Series or any of them,

those Notes (if any) of the relevant Series which are for the time being held by any Person (including but not limited to the Issuer, a Guarantor, or any Subsidiary of any of them) for the benefit of the Issuer, a Guarantor, or any Subsidiary of any of them shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**"Paying Agency Agreement"** means, in relation to the Notes of any Series, the amended and restated agency agreement dated 28 September 2016 appointing the initial Paying Agents, the Transfer Agents and the Calculation Agent in relation to such Series and any other agreement for the time being in force appointing successor paying agents, a successor transfer agent or a successor calculation agent in relation to such Series, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements in relation to such Series;

**"Paying Agents"** means each Paying Agent described in the Recitals to the Paying Agency Agreement and any additional or successor agent appointed pursuant to the Paying Agency Agreement;

**"Permanent Global Note"** means, in relation to any Series, a Global Note to be issued pursuant to Clause 4.1 in the form or substantially in the form set out in Part B of Schedule 2;

**"Potential Event of Default"** means an event or circumstance which would, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 14, become an Event of Default;

**"Principal Paying Agent"** means, in relation to the Notes of any Series, the institution at its Specified Office initially appointed as issuing and principal paying agent in relation to such Series pursuant to the relative Paying Agency Agreement or, if applicable, any successor principal paying agent in relation to such Series at its Specified Office;

**"Programme Agreement"** means the amended and restated programme agreement between the Issuer, the Original Guarantor and the Dealers dated 10 April 2019 concerning the purchase of Notes to be issued pursuant to the Programme as amended from time to time or any restatement thereof for the time being in force;

**"Receiptholder"** means the holder of a Receipt;

**"Receipts"** means any bearer principal receipts appertaining to the Notes of any Series or, as the context may require, a specific number thereof and includes any replacement Receipts issued pursuant to Condition 16;

**"Register"** means the register of holders of Registered Notes maintained by the Registrar;

**"Registered Global Note"** means a registered global note in the form or substantially in the form set out in Part C of Schedule 2 with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Registered Notes of the same Series, issued by the Issuer pursuant to the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) and these presents;

**"Registered Notes"** means Notes which are issued in registered form;

**"Registrar"** means, in relation to all or any Series of the Registered Notes, Citibank, N.A., London Branch at its office at C/o Ground Floor, 1 North Wall Quay, Dublin 1, Ireland or, if applicable, any successor registrar;

**"Relevant Date"** has the meaning ascribed to it in Condition 2;

**"Reserved Matter"** has the meaning given to it in Part I of Schedule 2;

**"repay"** includes **"redeem"** and *vice versa* and **"repaid"**, **"repayable"**, **"repayment"**, **"redeemed"**, **"redeemable"** and **"redemption"** shall be construed accordingly;

**"Series"** means a Tranche of Notes together with any further Tranche or Tranches of Notes expressed to be consolidated and form a single series with the Notes of the



original Tranche and the terms of which are identical (save for the Issue Date and/or the Interest Commencement Date but including as to whether or not the Notes are listed);

**"Specified Office"** means, in relation to any Agent in respect of any Series, either the office identified with its name in the Conditions of such Series or any other office notified to any relevant parties pursuant to the Paying Agency Agreement;

**"Stock Exchange"** means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) or any further or other stock exchange(s) on which any Notes may from time to time be listed, and references in these presents to the relevant Stock Exchange shall, in relation to any Notes, be references to the stock exchange on which such Notes are, from time to time, or are intended to be, listed;

**"Subsidiary"** means, in respect of any person (the **"first person"**) at any particular time, any other person (the **"second person"**):

- (a) *Control*: whose affairs and policies the first person controls or has the power to control (directly or indirectly), whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or
- (b) *Consolidation*: whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person;

**"Talonholder"** means the holder of a Talon;

**"Talon"** means a talon for further Coupons;

**"Tax"** means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax;

**"Temporary Global Note"** means, in relation to any Series, a Global Note to be issued pursuant to Clause 4.1 in the form or substantially in the form set out in Part A of Schedule 2;

**"this Trust Deed"** means this Trust Deed and the Schedules (as from time to time modified in accordance with the provisions contained herein) and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions hereof (as from time to time modified as aforesaid) and expressed to be supplemental hereto;

**"Total Tangible Assets"** means at any time, in respect of the Group or any particular Subsidiary, as the case may be, the aggregate of the book values (determined in accordance with the principles and practices applied in the Issuer's then most recent audited consolidated statement of financial position with only such changes (if any) thereto as may have been approved by the Auditors) of the tangible assets of the Group or any particular Subsidiary (and, in the case of the Group, on a consolidated basis) as at any time and from time to time valued and disclosed in the then most recent audited statement of financial position, using, in the case of the Group, the consolidated

statement of financial position of the Issuer and, in the case of a Subsidiary, the unconsolidated statement of financial position of such Subsidiary;

**"Tranche"** means all Notes of the same Series with the same Issue Date and Interest Commencement Date;

**"Transfer Agents"** means, in relation to all or any Series of the Registered Notes, the several institutions (including, where the context permits, the Registrar) at their respective specified offices initially appointed as transfer agents in relation to such Notes by the Issuer and the Guarantors pursuant to the Paying Agency Agreement and/or, if applicable, any successor transfer agents;

**"Trustee Acts"** means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales;

**"Written Resolution"** means, in relation to any Series, a resolution in writing signed by or on behalf of all holders of Notes of such Series for the time being outstanding, whether contained in one document or several documents in like form, each signed by or on behalf of one or more such Noteholders; and

**"Zero Coupon Note"** means a Note specified as such in the relevant Pricing Supplement.

## 1.2 Amendment and Restatement

The Original Trust Deed shall be amended and restated on the terms of this Trust Deed. Any Notes issued on or after the date of this Trust Deed shall be issued pursuant to this Trust Deed save for any Notes which are to be consolidated and form a single Series with any Notes issued prior to the date of this Trust Deed and constituted by the Original Trust Deed. This does not affect any Notes issued prior to the date of this Trust Deed.

## 1.3 Principles of interpretation

In this Trust Deed:

1.3.1 *Statutory modification*: a provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;

1.3.2 *Additional amounts*: principal and/or interest in respect of the Notes of any Series shall be deemed also to include references to any additional amounts, any redemption amounts, or any premium which may be payable under the Conditions;

1.3.3 *Relevant Currency*: "relevant currency" shall be construed as a reference to the currency in which payments in respect of the Notes and/or Receipts and/or Coupons of the relevant Series are to be made as indicated in the relevant Pricing Supplement;

1.3.4 *Tax*: costs, charges or expenses shall include any value added tax, goods and services tax or similar tax charged or chargeable in respect thereof;

- 1.3.5 *Enforcement of rights*: an action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdictions as shall most nearly approximate thereto;
- 1.3.6 *Clauses and Schedules*: a Schedule or a Clause, sub-clause, paragraph or sub-paragraph is, unless otherwise stated, to a schedule hereto or a clause, sub-clause, paragraph or sub-paragraph hereof respectively;
- 1.3.7 *Clearing systems*: Euroclear and/or Clearstream, Luxembourg shall, wherever the context so admits, be deemed to include references to any additional or alternative clearing system approved by the Issuer, the Guarantors and the Trustee;
- 1.3.8 *Trust corporation*: a trust corporation denotes a corporation entitled by rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England to act as trustee and carry on trust business under the laws of the country of its incorporation;
- 1.3.9 *Gender*: words denoting the masculine gender shall include the feminine gender also, words denoting individuals shall include companies, corporations and partnerships, words importing the singular number shall include the plural and, in each case, *vice versa*;
- 1.3.10 *Parties*: any reference to any party in any document (including for the avoidance of doubt this Trust Deed, the Paying Agency Agreement and the Conditions) shall be considered so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests;
- 1.3.11 *Successors*: a "successor" of any party shall be construed so as to include an assignee or successor in time of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under this Trust Deed, the Paying Agency Agreement and/or the Conditions or to which, under such laws, such rights and obligations have been transferred; and
- 1.3.12 *Records*: any reference to the records of an ICSD shall be to the records that each of the ICSDs holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD).

#### 1.4 The Conditions

In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed.

## 1.5 Headings

The headings and sub-headings are for ease of reference only and shall not affect the construction of this Trust Deed.

## 1.6 The Schedules

The Schedules are part of this Trust Deed and shall have effect accordingly.

## 2. **AMOUNT AND ISSUE OF THE NOTES**

### 2.1 Amount of the Notes

The Notes will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit and for the purpose of determining such aggregate nominal amount Clause 4.1.14 of the Programme Agreement shall apply.

### 2.2 Prior to each Issue Date

By not later than 3.00 p.m. (London time) on the second business day in London (which for this purpose shall be a day on which commercial banks are open for business in London) preceding each proposed Issue Date, the Issuer shall:

2.2.1 deliver or cause to be delivered to the Trustee a draft of the relevant Pricing Supplement and if applicable, notify the Trustee of any proposed changes to the draft Pricing Supplement delivered to the Trustee; and

2.2.2 notify the Trustee in writing without delay of the Issue Date and the nominal amount of the Notes of the relevant Tranche.

### 2.3 Constitution of Notes

Upon the issue of the Temporary Global Note in the case of Bearer Notes, or the Registered Global Note or Registered Definitive Note (as applicable) in the case of Registered Notes, initially representing the Notes of any Tranche, such Notes shall become constituted by this Trust Deed without further formality.

### 2.4 Further legal opinions

On each occasion when a legal opinion is delivered to a Dealer(s) pursuant to Clause 5.10 of the Programme Agreement and on such other occasions as the Trustee so requests, each of the Issuer and the Guarantors will procure at their cost that further legal opinions in such form and with such content as the Trustee may require from the legal advisers specified in the Programme Agreement or in the relevant jurisdiction approved by the Trustee are delivered to the Trustee. In each such case, receipt by the Trustee of the relevant opinion shall be a condition precedent to the issue of Notes pursuant to this Trust Deed.

### 3. COVENANT TO REPAY

#### 3.1 Covenant to repay

The Issuer covenants with the Trustee that it shall, as and when the Notes of any Series or any of them become due to be redeemed or any principal on the Notes of any Series or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in immediately available freely transferable funds in the relevant currency the principal amount of the Notes of such Series or any of them becoming due for payment on that date and shall (subject to the provisions of the Conditions and except in the case of Zero Coupon Notes), until all such payments (both before and after judgment or other order) are duly made, unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount (or such other amount as may be specified in the Pricing Supplement) of the Notes or any of them of such Series outstanding from time to time as set out in the Conditions (subject to Clause 3.3 (*Interest on Floating Rate Notes following Event of Default*)) *provided that*:

- 3.1.1 every payment of principal or interest in respect of such Notes or any of them made to the Principal Paying Agent, or as the case may be, the Registrar in the manner provided in the Paying Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the relevant Noteholders, Receiptholders or Couponholders (as the case may be) in accordance with the Conditions;
- 3.1.2 if any payment of principal or interest in respect of such Notes or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the relevant Noteholders, Receiptholders or Couponholders (as the case may be) or, if earlier, the seventh day after notice has been given to the relevant Noteholders in accordance with the Conditions that the full amount has been received by the Principal Paying Agent, the Registrar or the Trustee except, in the case of payment to the Principal Paying Agent, or as the case may be, the Registrar to the extent that there is failure in the subsequent payment to the Noteholders, Receiptholders, or Couponholders (as the case may be) under the Conditions; and
- 3.1.3 in any case where payment of the whole or any part of the principal amount due in respect of any Note is improperly withheld or refused upon due presentation of the relevant Note or Receipt (as the case may be), interest shall accrue on the whole or such part of such principal amount (except in the case of Zero Coupon Notes, to which the provisions of Condition 9(b) shall apply) from the date of such withholding or refusal until the date either on which such principal amount due is paid to the relevant Noteholders or Receiptholders (as the case may be) or, if earlier, the seventh day after which notice is given to the relevant Noteholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the relevant Noteholders or Receiptholders (as the case may be) *provided that* on further due presentation of the relevant Note or Receipt (as the case may be) such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenant in Clause 6 (*Covenant to comply with the Trust Deed*) on trust for the Noteholders in accordance with their respective interests.

### 3.2 Following an Event of Default

At any time after any Event of Default or Potential Event of Default shall have occurred, and while the same is continuing, the Trustee may:

3.2.1 by notice in writing to the Issuer, the Guarantors, the Principal Paying Agent and the other Agents require the Principal Paying Agent and the other Agents (or such of them as are specified by the Trustee):

(a) to act thereafter, until otherwise instructed by the Trustee, as Agents of the Trustee under the provisions of this Trust Deed on the terms provided in the Paying Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Agents shall be limited to amounts for the time being held by the Trustee on the trusts of this Trust Deed in relation to the Notes on the terms of this Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Notes, Receipts, Talons and Coupons and all sums, documents and records held by them in respect of Notes, Receipts, Talons and Coupons on behalf of the Trustee; and/or

(b) to deliver up all Notes, Receipts, Talons and Coupons and all sums, documents and records held by them in respect of Notes, Receipts, Talons and Coupons to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any document or record which the relevant Agent is obliged not to release by any law or regulation; and

3.2.2 by notice in writing to the Issuer and the Guarantors require each of them to make all subsequent payments in respect of Notes, Receipts, Talons and Coupons to or to the order of the Trustee and, with effect from the issue of any such notice until such notice is withdrawn, proviso 3.1.1 to Clause 3.1 (*Covenant to repay*) and (so far as it concerns payments by the Issuer) Clause 10.4 (*Payment to Noteholders, Receiptholders and Couponholders*) shall cease to have effect.

### 3.3 Interest on Floating Rate Notes following Event of Default

If Floating Rate Notes become immediately due and repayable under Condition 14 the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period (as defined in the Conditions) during which the Notes become so due and repayable in accordance with Condition 14 (with consequential amendments as necessary) except that the rates of interest need not be published.

### 3.4 Currency of payments

All payments in respect of, under and in connection with this Trust Deed and the Notes to the relevant Noteholders, Receiptholders and Couponholders shall be made in the relevant currency as required by the Conditions.

### 3.5 Separate Series

The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, all the provisions of this Trust Deed shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions "**Notes**", "**Noteholders**", "**Receipts**", "**Receiptholders**", "**Coupons**", "**Couponholders**", "**Talons**" and "**Talonholders**" shall be construed accordingly.

## 4. THE NOTES

### 4.1 Global Bearer Notes

4.1.1 The Notes of each Tranche will initially be together represented by a Temporary Global Note. Each Temporary Global Note shall (save as may be specified in the relevant Pricing Supplement) be exchangeable, in accordance with its terms, for interests in a Permanent Global Note or Notes in definitive form.

4.1.2 Each Permanent Global Note shall be exchangeable, in accordance with its terms, for Notes in definitive form.

4.1.3 All Global Notes shall be prepared, completed and delivered to a common depositary for Clearstream, Luxembourg and Euroclear or, as the case may be, a Common Safekeeper in accordance with the Programme Agreement or to another depositary in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, in accordance with the Paying Agency Agreement. The relevant Pricing Supplement shall be annexed to each Global Note.

### 4.2 Registered Notes

4.2.1 The Registered Notes of each Tranche will initially be represented by a Registered Global Note.

4.2.2 Registered Notes represented by Registered Global Notes shall be exchangeable for Definitive Registered Notes only in accordance with, and subject to, the provisions of the relevant Registered Global Notes and the Paying Agency Agreement.

4.2.3 Each Registered Global Note shall be printed or typed in the form or substantially in the form set out in Part C of Schedule 2 and may be a facsimile. Each Registered Global Note shall have annexed thereto a copy of the applicable Pricing Supplement and shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. Each Registered Global Note so executed and authenticated shall be a binding and valid obligation of the Issuer.

### 4.3 Definitive Bearer Notes and Definitive Registered Notes

- 4.3.1 The Definitive Bearer Notes, the Receipts, the Coupons and the Talons shall be in bearer form and shall be issued in the respective forms or substantially in the respective forms set out in Parts D, F, G and H, respectively, of Schedule 2. The Definitive Bearer Notes, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions shall be incorporated by reference (where applicable to this Trust Deed) into such Definitive Bearer Notes if permitted by the relevant Stock Exchange (if any), or, if not so permitted, the Definitive Bearer Notes shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Definitive Bearer Notes shall have endorsed thereon or attached thereto a copy of the applicable Pricing Supplement (or the relevant provisions thereof). Title to the Definitive Bearer Notes, the Receipts, the Coupons and the Talons shall pass by delivery.
- 4.3.2 The Definitive Registered Notes shall be in registered form and shall be issued in the form or substantially in the form set out in Part E of Schedule 2, shall be serially numbered, shall be endorsed with a form of transfer and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the Conditions shall be incorporated by reference (where applicable to that Trust Deed) into such Definitive Registered Notes if permitted by the relevant Stock Exchange (if any), or, if not so permitted, the Definitive Registered Notes shall be endorsed with or have attached thereto the Conditions, and, in either such case, the Definitive Registered Notes shall have endorsed thereon or attached thereto a copy of the applicable Pricing Supplement (or the relevant provisions thereof). Title to the Definitive Registered Notes shall pass upon the registration of transfers in the Register kept by the Registrar in respect thereof in accordance with the provisions of the Paying Agency Agreement and this Trust Deed.
- 4.3.3 The Definitive Notes shall be signed manually or in facsimile by a person duly authorised by the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent (in the case of the Definitive Bearer Notes) or the Registrar (in the case of Definitive Registered Notes). The Definitive Notes so executed and authenticated, and the Receipts, Coupons and Talons, upon execution and authentication of the relevant Definitive Bearer Notes, shall be binding and valid obligations of the Issuer. The Receipts, Coupons and Talons shall not be signed. No Definitive Bearer Note and none of the Receipts, Coupons or Talons appertaining to such Definitive Bearer Note shall be binding or valid until such Definitive Bearer Note shall have been executed and authenticated as aforesaid.

### 4.4 Signature

The Global Notes and the Notes in definitive form will be signed manually or in facsimile by a duly authorised person designated by the Issuer and will be authenticated manually by or on behalf of the Principal Paying Agent and, if applicable, will be effectuated manually by or on behalf of the Common Safekeeper. The Issuer may use the facsimile signature of a person who at the date such signature was originally



produced was such a duly authorised person even if at the time of issue of any Global Note or Note in definitive form he no longer holds that office. Global Notes and Notes in definitive form so executed, duly authenticated and, if applicable, duly effectuated will be binding and valid obligations of the Issuer.

#### 4.5 Persons to be treated as Noteholders

The Issuer, the Guarantor, the Trustee and any Agent may deem and treat the holder of any Bearer Note or Registered Note as the absolute owner of such Bearer Note or Registered Note, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Bearer Note or Registered Note (whether or not such Bearer Note or the Registered Note shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of such Bearer Note or Registered Note for all purposes save as otherwise herein provided in relation to any Bearer Note in Global Note form or Registered Global Note and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Guarantors, the Trustee and Agents shall not be affected by any notice to the contrary. All payments made to any such holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Notes.

#### 4.6 Certificates of Euroclear, Clearstream, Luxembourg etc.

The Trustee may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof a letter of confirmation issued on behalf of Euroclear, Clearstream, Luxembourg or the registered holder of any relevant Global Note or any form of record made by any of them or such other evidence and/or information and/or certification as it shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note and if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned.

### 5. **GUARANTEE AND INDEMNITY**

#### 5.1 Guarantee

Each Guarantor hereby unconditionally and irrevocably guarantees to the Trustee the due and punctual payment of all sums expressed to be payable by the Issuer under this Trust Deed or in respect of the Notes, Receipts or Coupons, as and when the same become due and payable, whether at maturity, upon early redemption, upon acceleration or otherwise, according to the terms of this Trust Deed and the Notes, Receipts and Coupons. In case of the failure of the Issuer to pay any such sum as and when the same shall become due and payable, each Guarantor hereby agrees to cause such payment to be made as and when the same becomes due and payable, whether at maturity, upon early redemption, upon acceleration or otherwise, as if such payment were made by the Issuer.

## 5.2 Indemnity

Each Guarantor agrees, as an independent primary obligation, that it shall pay to the Trustee on demand sums sufficient to indemnify the Trustee and each Noteholder, Receiptholder and Couponholder against any Liability sustained by the Trustee or such Noteholder, Receiptholder or Couponholder by reason of the non-payment as and when the same shall become due and payable of any sum expressed to be payable by the Issuer under this Trust Deed or in respect of the Notes, whether by reason of any of the obligations expressed to be assumed by the Issuer in this Trust Deed or the Notes being or becoming void, voidable or unenforceable for any reason, whether or not known to the Trustee or such Noteholders, Receiptholders or Couponholder or for any other reason whatsoever.

## 5.3 Unconditional payment

If the Issuer defaults in the payment of any sum expressed to be payable by the Issuer under this Trust Deed or in respect of the Notes, Receipts or Coupons as and when the same shall become due and payable, each Guarantor shall forthwith unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency (which shall be the same as the Specified Currency listed in the relevant Pricing Supplement) in London in same day, freely transferable funds the amount in respect of which such default has been made; *provided that* every payment of such amount made by the relevant Guarantor to the Principal Paying Agent in the manner provided in the Paying Agency Agreement shall be deemed to cure *pro tanto* such default by the Issuer and shall be deemed for the purposes of this Clause 5 to have been paid to or for the account of the Trustee except to the extent that there is failure in the subsequent payment of such amount to the Noteholders, Receiptholders and Couponholders in accordance with the Conditions, and everything so paid by the relevant Guarantor in accordance with the Paying Agency Agreement shall have the same effect as if it had been paid thereunder by the Issuer.

## 5.4 Unconditional obligation

Each Guarantor agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of this Trust Deed or any Note, Receipt or Coupon and shall not be affected by:

5.4.1 any change in or amendment to this Trust Deed or any Note, Receipt or Coupon, including any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement, waiver or release of, any obligation of the Issuer under or in respect of this Trust Deed or any Note, Receipt or Coupon or any security or other guarantee or indemnity in respect thereof including without limitation any change in the purposes for which the proceeds of the issue of any Note are to be applied and any extension of or any increase of the obligations of the Issuer in respect of any Note, Receipt or Coupon or the addition of any new obligations for the Issuer under this Trust Deed;

5.4.2 the absence of any action to enforce the same;

5.4.3 any waiver or consent by any Noteholder, Receipholder or Couponholder or by the Trustee with respect to any provision of this Trust Deed or the Notes;

5.4.4 any judgment obtained against the Issuer or any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defence of a guarantor.

#### 5.5 Guarantor's obligations continuing

Each Guarantor waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest or notice with respect to any Note or the indebtedness evidenced thereby and all demands whatsoever. Each Guarantor agrees that the guarantee and indemnity contained in this Clause 5 is a continuing guarantee and indemnity and shall remain in full force and effect until all amounts due as principal, interest or otherwise in respect of the Notes, Receipts or Coupons or under this Trust Deed shall have been paid in full and that the Guarantor shall not be discharged by anything other than a complete performance of the obligations contained in this Trust Deed and the Notes, Receipts and Coupons.

#### 5.6 Subrogation of Guarantor's rights

Each Guarantor shall be subrogated to all rights of the Noteholders against the Issuer in respect of any amounts paid by such Guarantor pursuant hereto; *provided that* the Guarantor shall not without the consent of the Trustee be entitled to enforce, or to receive any payments arising out of or based upon or prove in any insolvency or winding up of the Issuer in respect of, such right of subrogation until such time as the principal of and interest on all outstanding Notes, Receipts and Coupons and all other amounts due under this Trust Deed and the Notes, Receipts and Coupons have been paid in full. Furthermore, until such time as aforesaid the relevant Guarantor shall not take any security or counter-indemnity from the Issuer in respect of such Guarantor's obligations under this Clause 5.

#### 5.7 No implied waivers

If any payment received by the Trustee or the Principal Paying Agent pursuant to the provisions of this Trust Deed or the Conditions shall, on the subsequent bankruptcy, insolvency, corporate reorganisation or other similar event affecting the Issuer, be avoided, reduced, invalidated or set aside under any laws relating to bankruptcy, insolvency, corporate reorganisation or other similar events, such payment shall not be considered as discharging or diminishing the liability of any Guarantor whether as guarantor, principal debtor or indemnifier and the guarantee and indemnity contained in this Clause 5 shall continue to apply as if such payment had at all times remained owing by the Issuer and each Guarantor shall indemnify and keep indemnified the Trustee and the Noteholders on the terms of the guarantee and indemnity contained in this Clause.

## 5.8 Suspense account

Any amount received or recovered by the Trustee from any Guarantor in respect of any sum payable by the Issuer under this Trust Deed or the Notes, Receipts or Coupons may be placed in a suspense account and kept there for so long as the Trustee thinks fit.

## 5.9 Material Subsidiaries to become Guaranteeing Subsidiaries

Subject to Clause 5.11, the Issuer hereby undertakes that it will from time to time and with all reasonable expedition after any company becomes a Material Subsidiary procure that such Material Subsidiary shall become a Guaranteeing Subsidiary. The Issuer may at its own volition (without being under any obligation to do so) procure any Subsidiary which is not a Material Subsidiary to become a Guaranteeing Subsidiary.

## 5.10 Supplemental deed introducing a new Guarantor

Pursuant to Clause 5.9, any Material Subsidiary or Subsidiary that is to become a Guaranteeing Subsidiary shall do so by executing and delivering to the Trustee a supplemental deed in or substantially in the form set out in Schedule 3 or in such other form as may be approved by the Trustee, whereby such Material Subsidiary or, as the case may be, Subsidiary agrees to be bound as a Guaranteeing Subsidiary hereunder. The Issuer undertakes to procure that all such acts and things are done as may be necessary or desirable to ensure the due execution and delivery of such supplemental deed by each Material Subsidiary or, as the case may be, Subsidiary and that each such Material Subsidiary or, as the case may be, Subsidiary becomes bound by the provisions of this Trust Deed expressed to be assumed by it in such supplemental deed. The Trustee shall not be bound to enquire into the financial condition of any such Material Subsidiary or, as the case may be, Subsidiary or to make any investigation into, or to satisfy itself in any way in relation to the valid existence, of any such Material Subsidiary or, as the case may be, Subsidiary, its power or capacity to enter into such supplemental deed or to perform its obligations under this Trust Deed, the due authorisation, execution or delivery of such supplemental deed or performance of any such obligations of such Material Subsidiary or, as the case may be, Subsidiary, the due execution and delivery of such supplemental deed, the obtaining of any necessary consents or authorisations of such execution, delivery or performance, the taking of any action (including any necessary registration or filing) required to ensure the enforceability as against such Material Subsidiary or, as the case may be, Subsidiary or any obligations expressed to be assumed by it under this Trust Deed or as to any other matter or thing whether or not similar to any of the foregoing.

## 5.11 Release of Guaranteeing Subsidiaries

Notwithstanding Clause 5.9, a Guaranteeing Subsidiary shall be released from its guarantee and covenants as a Guaranteeing Subsidiary or a Material Subsidiary shall be permitted to remain a non-Guaranteeing Subsidiary (as the case may be) upon the Trustee receiving a certificate of two Directors or Authorised Signatories of the Issuer stating either:

5.11.1 that there are sound commercial reasons why a Guaranteeing Subsidiary should cease to be a Guaranteeing Subsidiary or a Material Subsidiary should not be obliged to become a Guaranteeing Subsidiary; or

5.11.2 that a Guaranteeing Subsidiary has ceased to be a Material Subsidiary,

and (in any such case) that either releasing such Guaranteeing Subsidiary from its guarantee and covenants hereunder or permitting such Material Subsidiary to remain a non-Guaranteeing Subsidiary (as the case may be) will not in their opinion have a materially adverse effect on the Noteholders. The Trustee shall be bound to accept any such certificate as sufficient evidence of the matters referred to therein and shall not be bound or entitled to call for any further evidence thereof.

#### 5.12 Supplement deed releasing a Guarantor

At the request of the Issuer, the Trustee shall execute a supplemental deed in or substantially in the form set out in Schedule 4 or in such other form as may be approved by the Trustee evidencing the release of a Guaranteeing Subsidiary from its guarantee pursuant to Clause 5.11.

#### 5.13 Release does not affect other Guarantors

No release of any Guaranteeing Subsidiary from its guarantee or any of its covenants under these presents shall release any other Guarantor from any of its obligations under this Trust Deed.

#### 5.14 Joint and several guarantees

The guarantees, indemnities, covenants and obligations of the Guarantors under this Trust Deed shall be joint and several guarantees, indemnities, covenants and obligations of each of the Guarantors.

### 6. COVENANT TO COMPLY WITH THE TRUST DEED

#### 6.1 Covenant to comply with the Trust Deed

The Issuer and each Guarantor each hereby covenants with the Trustee to comply with those provisions of this Trust Deed and the Conditions which are expressed to be binding on it and to perform and observe the same. The Notes, the Receipts and the Coupons are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer, the Guarantors, the Noteholders, the Receiptholders, the Couponholders and all persons claiming through or under them respectively.

#### 6.2 Trustee may enforce Conditions

The Trustee shall itself be entitled to enforce the obligations of the Issuer and the Guarantors under the Notes and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Notes.

## 7. COVENANTS BY THE ISSUER AND THE GUARANTORS

Each of the Issuer and the Guarantors hereby covenants with the Trustee that, so long as any of the Notes remain outstanding, it will:

- 7.1 *Books of account:* at all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer or the relevant Guarantor *provided that* nothing in this Clause 7.1 shall oblige the Issuer or the relevant Guarantor to disclose confidential information concerning customers of the Issuer or the relevant Guarantor or regarding any matters for which the Issuer or the relevant Guarantor would be entitled to claim exemption from disclosure;
- 7.2 *Event of Default:* give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Trustee to take any further action;
- 7.3 *Certificate of Compliance:* provide to the Trustee, within 10 days of any request by the Trustee, and within 14 days of the signature by or on behalf of the Issuer's Directors of its annual financial statements, and in any event not later than 180 days after the end of its financial year, a certificate, signed by two Directors or two Authorised Signatories of the Issuer certifying that up to a specified date not earlier than seven days prior to the date of such certificate (the "**Certified Date**") the Issuer and the Guarantors have complied with their respective obligations under this Trust Deed (or, if such is not the case, giving details of the circumstances of such non-compliance) and that as at such date there did not exist nor had there existed at any time prior thereto since the Certified Date in respect of the previous such certificate (or, in the case of the first such certificate, since the date of this Trust Deed) any Event of Default or Potential Event of Default or (if such is not the case) specifying the same;
- 7.4 *Accounts in relation to Material Subsidiaries:* ensure that such accounts are prepared as may be necessary to determine which Subsidiaries are Material Subsidiaries;
- 7.5 *Financial statements:* send to the Trustee and to the Principal Paying Agent (if the same are produced) as soon as practicable after their date of publication and in the case of annual financial statements in any event not more than 180 days after the end of each financial year, two copies of the Issuer's annual financial statements;
- 7.6 *Information:* so far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require (acting reasonably) (including, without limitation, the certificates called for by the Trustee pursuant to Clause 7.3 (*Certificate of Compliance*)) for the performance of its functions;
- 7.7 *Notes held by Issuer and Guarantors:* send to the Trustee forthwith upon being so requested in writing by the Trustee a certificate of the Issuer or, as the case may be, the Guarantor(s) (signed on its behalf by two Directors or two Authorised Signatories of the Issuer) setting out the total number of Notes of each Series which at the date of such certificate are held by or for the benefit of the Issuer or, as the case may be, any Guarantor or other Subsidiary;

- 7.8 *Execution of further Documents:* so far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee (acting reasonably) to give effect to the provisions of this Trust Deed;
- 7.9 *Notices to Noteholders:* send or procure to be sent to the Trustee not less than three days prior to the date of publication, for the Trustee's approval, one copy of each notice to be given to the Noteholders in accordance with the Conditions and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice (such approval, unless so expressed, not to constitute approval of such notice for the purpose of Section 21 of the Financial Services and Markets Act 2000);
- 7.10 *Notification of non-payment:* use its reasonable endeavours to procure that the Principal Paying Agent notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Notes, Receipts or Coupons of any Series or any of them receive unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Notes, Receipts or Coupons;
- 7.11 *Notification of late payment:* in the event of the unconditional payment to the Principal Paying Agent or the Trustee of any sum due in respect of any of the Notes, the Receipts or the Coupons or any of them being made after the due date for payment thereof, forthwith give notice to the Noteholders that such payment has been made;
- 7.12 *Notification of redemption or payment:* not less than the number of days specified in the relevant Condition prior to the redemption or payment date in respect of any Note, Receipt or Coupon give to the Trustee notice in writing of the amount of such redemption or payment pursuant to the Conditions and duly proceed to redeem or pay such Notes, Receipts or Coupons accordingly;
- 7.13 *Tax or optional redemption:* if the Issuer gives notice to the Trustee that it intends to redeem the Notes pursuant to Condition 11(b) the Issuer shall, prior to giving such notice to the Noteholders, provide such information to the Trustee as the Trustee reasonably requires in order to satisfy itself of the matters referred to in such Condition;
- 7.14 *Obligations of Agents:* observe and comply with its obligations and use all reasonable endeavours to procure that the Agents observe and comply with all their obligations under the Paying Agency Agreement and notify the Trustee immediately it becomes aware of any material breach or failure by an Agent in relation to the Notes, Receipts or Coupons;
- 7.15 *Change of taxing jurisdiction:* if before the Relevant Date for any Note, Receipt or Coupon the Issuer or any Guarantor shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to New Zealand, immediately upon becoming aware thereof it shall notify the Trustee of such event and (unless the Trustee otherwise agrees) enter forthwith into a trust deed supplemental hereto, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee (acting reasonably) in terms corresponding to the terms of Condition 13 with the substitution for (or, as the case may be, the addition to) the references therein to New Zealand of references to that other or additional territory to whose taxing jurisdiction, or that of a political subdivision thereof or an authority therein or thereof, the Issuer or

the relevant Guarantor shall have become subject as aforesaid, such trust deed also to modify Condition 13 so that such Condition shall make reference to that other or additional territory;

- 7.16 *Listing*: at all times use reasonable endeavours to maintain the admission to listing, trading and/or quotation of the Notes of each Series by the relevant competent authority, stock exchange and/ or quotation system on which they are admitted to listing, trading and/ or quotation on issue as indicated in the relevant Pricing Supplement or, if it is unable to do so having used all reasonable endeavours or if the maintenance of such admission to listing, trading and/ or quotation is agreed by the Trustee to be unduly burdensome or impractical, use reasonable endeavours to obtain and maintain admission to listing, trading and/ or quotation of the Notes on such other competent authority, stock exchange and/ or quotation system as the Issuer and the relevant Guarantor may decide and give notice of the identity of such other competent authority, stock exchange or quotation system to the Trustee and Noteholders;
- 7.17 *Authorised Signatories*: upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee (with a copy to the Principal Paying Agent) a list of the Authorised Signatories of the Issuer, or, as the case may be, the Guarantors, together with certified specimen signatures of the same;
- 7.18 *Payments*: pay moneys payable by it to the Trustee hereunder without set-off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder; and
- 7.19 *Notification of amendment to Programme Agreement*: notify the Trustee of any amendment to the Programme Agreement.

## 8. **AMENDMENTS AND SUBSTITUTION**

### 8.1 Waiver

The Trustee may, without any consent or sanction of the Noteholders, Receiptholders or Couponholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any breach or proposed breach of any of the covenants or provisions contained in this Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) or the Notes, Receipts or Coupons or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of this Trust Deed; any such authorisation, waiver or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and, if, but only if, the Trustee shall so require, the Issuer shall cause such authorisation, waiver or determination to be notified to the Noteholders as soon as practicable thereafter in accordance with the Conditions; *provided that* the Trustee shall not exercise any powers conferred upon it by this Clause in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25 per cent. in aggregate principal amount of the Notes then outstanding (but so that no



such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any such breach or proposed breach relating to any of the matters the subject of the Reserved Matters as specified in Schedule 3.

## 8.2 Modifications

The Trustee may from time to time and at any time without any consent or sanction of the Noteholders, Receiptholders or Couponholders concur with the Issuer and the Guarantors in making (a) any modification to this Trust Deed (other than in respect of Reserved Matters as specified in Schedule 3 or any provision of this Trust Deed referred to in that specification), the Conditions, the Paying Agency Agreement or the Notes which in the opinion of the Trustee it may be proper to make provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or (b) any modification to this Trust Deed, the Conditions, the Paying Agency Agreement or the Notes if in the opinion of the Trustee such modification is of a formal, minor or technical nature or made to correct a manifest error. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter in accordance with the Conditions.

## 8.3 Substitution

8.3.1 *Procedure:* The Trustee may, without the consent of the Noteholders, the Receiptholders or the Couponholders, agree to the substitution, in place of the Issuer (or any previous substitute under this Clause) of a Guarantor or any other Subsidiary (hereinafter called the "**Substituted Obligor**") as the principal debtor under this Trust Deed in relation to the Notes, Receipts, and Coupons of any Series if:

- (a) a trust deed is executed or some other written form of undertaking is given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of this Trust Deed, the Notes, the Receipts and the Coupons with any consequential amendments which the Trustee may deem appropriate as fully as if the Substituted Obligor had been named in this Trust Deed and on the Notes, the Receipts and the Coupons as the principal debtor in place of the Issuer (or of any previous substitute under this Clause);
- (b) the Issuer, the Guarantors and the Substituted Obligor execute such other deeds, documents and instruments (if any) as the Trustee may require in order that the substitution is fully effective and (unless the Substituted Obligor is a Guarantor) the Guarantee is fully effective in relation to the obligations of the Substituted Obligor and comply with such other requirements as the Trustee may direct in the interests of the Noteholders, the Receiptholders and the Couponholders;
- (c) the Trustee is satisfied that (i) the Substituted Obligor has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Notes, the

Receipts and the Coupons in place of the Issuer (or such previous substitute as aforesaid), (ii) the Guarantors have obtained all governmental and regulatory approvals and consents necessary for the guarantee to be fully effective as described in sub-clause (b) above and (iii) such approvals and consents are at the time of substitution in full force and effect;

- (d) (without prejudice to the generality of the preceding sub-clauses of this sub-clause 8.3.1) where the Substituted Obligor is incorporated, domiciled or resident in or is otherwise subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority of or in such territory having power to tax (the "**Substituted Territory**") other than or in addition to the territory, the taxing jurisdiction of which (or to any such authority of or in which) the Issuer is subject generally (the "**Issuer's Territory**"), the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 13 with the substitution for the reference in that Condition to the Issuer's Territory of references to the Substituted Territory and in such event the Trust Deed and Notes, Receipts and Coupons will be interpreted accordingly;

- 8.3.2 *Change of law:* In connection with any proposed substitution of the Issuer or any previous substitute, the Trustee may, in its absolute discretion and without the consent of the Noteholders or the Couponholders agree to a change of the law from time to time governing the Notes and the Coupons and this Trust Deed *provided that* such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of the Noteholders;
- 8.3.3 *Extra duties:* The Trustee shall be entitled to refuse to approve any Substituted Obligor if, pursuant to the law of the country of incorporation of the Substituted Obligor, the assumption by the Substituted Obligor of its obligations hereunder imposes responsibilities on the Trustee over and above those which have been assumed under this Trust Deed;
- 8.3.4 *Directors' certification:* If any two directors of the Substituted Obligor certify that immediately prior to the assumption of its obligations as Substituted Obligor under this Trust Deed the Substituted Obligor is solvent after taking account of all prospective and contingent liabilities resulting from its becoming the Substituted Obligor, the Trustee need not have regard to the financial condition, profits or prospects of the Substituted Obligor or compare the same with those of the Issuer or any Guarantor (or of any previous substitute under this Clause);
- 8.3.5 *Interests of Noteholders:* In connection with any proposed substitution, the Trustee shall not have regard to, or be in any way liable for, the consequences of such substitution for individual Noteholders or the Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. No Noteholder or Couponholder shall, in connection with any such substitution, be entitled to claim any indemnification or payment in respect of any tax

consequence thereof for such Noteholder or Couponholder, except to the extent provided for in Condition 13 (or any undertaking given in addition to or substitution for it pursuant to this Trust Deed);

8.3.6 *Release of Issuer:* Any agreement by the Trustee pursuant to sub-clause 8.3.1 (*Procedure*) shall, if so expressed, operate to release the Issuer (or such previous substitute as aforesaid) from any or all of its obligations as principal debtor under the Notes and this Trust Deed. Not later than fourteen days after the execution of any such documents as aforesaid and after compliance with the said requirements of the Trustee, the Substituted Obligor shall cause notice thereof to be given to the Noteholders; and

8.3.7 *Completion of substitution:* Upon the execution of such documents and compliance with the said requirements, the Substituted Obligor shall be deemed to be named in this Trust Deed and the Notes, Receipts and Coupons as the principal debtor in place of the Issuer (or of any previous substitute under this Clause) and this Trust Deed, the Notes, the Receipts and the Coupons shall thereupon be deemed to be amended in such manner as shall be necessary to give effect to the substitution and without prejudice to the generality of the foregoing any references in this Trust Deed, in the Notes, Receipts and Coupons to the Issuer shall be deemed to be references to the Substituted Obligor.

## 9. ENFORCEMENT

### 9.1 Legal proceedings

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer and/or any Guarantor as it may think fit to recover any amounts due in respect of the Notes which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions but it shall not be bound to take any such proceedings unless it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in principal amount of the outstanding Notes and it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith and *provided that* the Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Noteholders or Couponholders. Only the Trustee may enforce the provisions of the Notes or this Trust Deed and no Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

### 9.2 Evidence of default

If the Trustee (or any Noteholder, Receiptholder or Couponholder where entitled under this Trust Deed so to do) makes any claim, institutes any legal proceeding or lodges any proof in a winding up or insolvency of the Issuer or a Guarantor under this Trust Deed or under the Notes, proof therein that:

- 9.2.1 as regards any specified Note the Issuer has made default in paying any principal due in respect of such Note shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Notes in respect of which a corresponding payment is then due;
- 9.2.2 as regards any specified Coupon the Issuer has made default in paying any interest due in respect of such Coupon shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Coupons in respect of which a corresponding payment is then due; and
- 9.2.3 as regards any Talon, the Issuer has made default in exchanging such Talon for further Coupons and a further Talon as provided by its terms shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Talons which are then available for exchange,

and for the purposes of 9.2.1 and 9.2.2 a payment shall be a "corresponding" payment notwithstanding that it is due in respect of a Note of a different denomination from that in respect of the above specified Note.

## 10. APPLICATION OF MONEYS

### 10.1 Application of moneys

All moneys received by the Trustee in respect of the Notes of any Series or amounts payable under this Trust Deed will despite any appropriation of all or part of them by the Issuer or a Guarantor (including any moneys which represent principal or interest in respect of Notes, Receipts or Coupons which have become void under the Conditions) be held by the Trustee on trust to apply them (subject to Clause 10.2 (*Investment of moneys*)):

- 10.1.1 first, in payment or satisfaction of all amounts due to the Trustee under this Trust Deed;
- 10.1.2 secondly, in or towards payment *pari passu* and rateably of all interest remaining unpaid in respect of the Notes of the relevant Series and all principal moneys due on or in respect of the Notes of that Series *provided that* where the Notes of more than one Series have become so due and payable, such monies shall be applied as between the amounts outstanding in respect of the different Series *pari passu* and rateably (except where, in the opinion of the Trustee, such monies are paid in respect of a specific Series or several specific Series, in which event such monies shall be applied solely to the amounts outstanding in respect of that Series or those Series respectively); and
- 10.1.3 thirdly, the balance (if any) in payment to the Issuer or, if such moneys were received from a Guarantor, the Guarantor.

### 10.2 Investment of moneys

If the amount of the moneys at any time available for payment of principal and interest in respect of the Notes of any Series under Clause 10.1 (*Application of moneys*) shall be less than a sum sufficient to pay at least one-tenth of the principal amount of the Notes of such Series then outstanding, the Trustee may, at its discretion, invest such

moneys upon some or one of the investments hereinafter authorised with power from time to time, with like discretion, to vary such investments; and such investment with the resulting income thereof may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustee and available for the purpose shall amount to a sum sufficient to pay at least one-tenth of the principal amount of the Notes of such Series then outstanding and such accumulation and funds (after deduction of any taxes and any other deductibles applicable thereto) shall then be applied in the manner aforesaid.

### 10.3 Authorised Investments

Any moneys which under this Trust Deed may be invested by the Trustee may be invested in the name or under the control of the Trustee in any of the investments for the time being authorised by English law for the investment by trustees of trust moneys or in any other investments, whether similar to those aforesaid or not, which may be selected by the Trustee or by placing the same on deposit in the name or under the control of the Trustee with such bank or other financial institution as the Trustee may think fit and in such currency as the Trustee in its absolute discretion may determine and the Trustee may at any time vary or transfer any of such investments for or into other such investments or convert any moneys so deposited into any other currency and shall not be responsible for any Liability occasioned by reason of any such investments or such deposit whether by depreciation in value, fluctuation in exchange rates or otherwise.

### 10.4 Payment to Noteholders, Receiptholders and Couponholders

The Trustee shall give notice to the Noteholders in accordance with the Conditions of the date fixed for any payment under Clause 10.1 (*Application of Moneys*). Any payment to be made in respect of the Notes, Receipts or Coupons of any Series by the Issuer, a Guarantor or the Trustee may be made in the manner provided in the Conditions, the Paying Agency Agreement and this Trust Deed and any payment so made shall be a good discharge to the extent of such payment by the Issuer, the Guarantor or the Trustee (as the case may be).

### 10.5 Production of Notes, Receipts and Coupons

Upon any payment under Clause 10.4 (*Payment to Noteholders, Receiptholders and Couponholders*) of principal or interest, the Note, Receipt or Coupon in respect of which such payment is made shall, if the Trustee so requires, be produced to the Trustee or the Paying Agent by or through whom such payment is made and the Trustee shall:

- 10.5.1 in respect of a Bearer Note, Receipt or Coupon, (a) in the case of part payment, enface or cause such Paying Agent to enface a memorandum of the amount and date of payment thereon (or, in the case of part payment of an NGN Temporary Global Note or an NGN Permanent Global Note cause the Principal Paying Agent to procure that the ICSDs make appropriate entries in their records to reflect such payment) or (b) in the case of payment in full, cause such Bearer Note, Receipt or Coupon to be surrendered or shall cancel or procure the same to be cancelled and shall certify or procure the certification of such cancellation; and

10.5.2 in respect of a Registered Note, (a) in the case of part payment, require the Registrar to make a notation in the Register of the amount and date of payment (and in the case of Registered Notes held in the New Safekeeping Structure (as defined in the Paying Agency Agreement) to procure that the ICSDs make appropriate entries in their records to reflect such payments or (b) in the case of payment in full, cause the relevant Registered Note to be surrendered or shall cancel or procure the cancellation of the same and shall certify or procure the certification of such cancellation.

#### 10.6 Noteholders to be treated as holding all Coupons

Wherever in this Trust Deed the Trustee is required or entitled to exercise a power, trust, authority or discretion under this Trust Deed, except as ordered by a court of competent jurisdiction or as required by the applicable law, the Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each holder of Bearer Notes is the holder of all Coupons, Receipts and Talons appertaining to each Definitive Bearer Note of which he is the holder.

#### 10.7 No Notice to Holders of Coupons, Receipts or Talons

Neither the Trustee nor the Issuer shall be required to give any notice to the holder of Coupons, Receipts or Talons for any purpose under these presents and the holders of Coupons, Receipts or Talons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with Condition 20.

### 11. TERMS OF APPOINTMENT

By way of supplement to the Trustee Acts, it is expressly declared as follows:

#### 11.1 Reliance on Information

11.1.1 *Advice:* The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, a Guarantor, any Subsidiary or any Agent) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission and the Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;

11.1.2 *Certificate of Directors or Authorised Signatories:* the Trustee may call for and shall be at liberty to accept a certificate signed by two Directors, two Authorised Signatories or other person duly authorised on their behalf as to any fact or matter *prima facie* within the knowledge of the Issuer or a Guarantor, as the case may be, as sufficient evidence thereof and a like certificate to the effect

that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;

- 11.1.3 *Certificate of Auditors*: a certificate of the Auditors that in their opinion a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantors, the Trustee, the Noteholders, the Receiptholders and the Couponholders;
- 11.1.4 *Resolution or direction of Noteholders*: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Noteholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Noteholders, the Receiptholders and the Couponholders;
- 11.1.5 *Reliance on certification of clearing system*: the Trustee may call for any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system in relation to any matter including to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in the relevant clearing systems records as having a particular principal or nominal amount of Notes credited to his securities account. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any such certificate or other document purporting to be issued by Euroclear or Clearstream, Luxembourg or any other relevant clearing system and subsequently found to be forged or not authentic;
- 11.1.6 *Noteholders as a class*: whenever in this Trust Deed the Trustee is required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, it shall have regard to the interests of the Noteholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory;

- 11.1.7 *Trustee not responsible for investigations:* the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Notes or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;
- 11.1.8 *Entry on the Register:* the Trustee shall not be liable to the Issuer or any Noteholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;
- 11.1.9 *No liability as a result of the delivery of a certificate as to material prejudice:* the Trustee shall have no liability whatsoever for any loss, cost, damages or expenses directly or indirectly suffered or incurred by the Issuer, any Noteholder, Couponholder or any other person as a result of the delivery by the Trustee to the Issuer of a certificate as to material prejudice pursuant to Condition 14 (*Events of Default*) on the basis that such suspicion is formed by it in good faith;
- 11.1.10 *No obligation to monitor:* the Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Notes or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;
- 11.1.11 *Notes held by the Issuer:* in the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer under sub-clause 7.7 (*Notes held by Issuer and Guarantors*)), that no Notes are for the time being held by or for the benefit of the Issuer, any Guarantor or other Subsidiary;
- 11.1.12 *Forged Notes:* the Trustee shall not be liable to the Issuer, the Guarantors or any Noteholder, Receiptholder or Couponholder by reason of having accepted as valid or not having rejected any Bearer Note, Receipt or Coupon as such and subsequently found to be forged or not authentic;
- 11.1.13 *Events of Default:* the Trustee shall not be bound to give notice to any person of the execution of this Trust Deed or to take any steps to ascertain whether any Event of Default or Potential Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default or Potential Event of Default has happened and that each of the Issuer and the Guarantors are observing and performing all of their respective obligations contained in the Notes, Receipts and Coupons and under this Trust Deed and no event has happened as a consequence of which any of the Notes may become repayable;
- 11.1.14 *Legal Opinions:* the Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Notes or for checking or commenting upon the content of any such legal opinion;



- 11.1.15 *Programme Limit*: the Trustee shall not be concerned, and need not enquire, as to whether or not any Notes are issued in breach of the Programme Limit;
- 11.1.16 *Trustee not Responsible*: the Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Trust Deed or any other document relating thereto and shall not be liable for any failure to obtain any rating of Notes (where required), any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Trust Deed or any other document relating thereto. In addition the Trustee shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder;
- 11.1.17 *Freedom to Refrain*: notwithstanding anything else herein contained, the Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency or any state of which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation;
- 11.1.18 *Right to Deduct or Withhold*: notwithstanding any other provision of this Trust Deed, the Trustee shall be entitled to make a deduction or withholding from any payment which it makes under any Notes for or on account of any Tax, if and only to the extent so required by Applicable Law, in which event the Trustee shall (i) make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld, provided that it shall have advised the Issuer or the relevant Guarantor of such requirement as soon as it becomes aware thereof, and (ii) notify the Issuer or the relevant Guarantor of any amount so paid; and
- 11.1.19 *Interests of accountholders or participants*: so long as any Note is held by or on behalf of Euroclear or Clearstream, Luxembourg, in considering the interests of Noteholders the Trustee may consider the interests (either individual or by category) of its accountholders or participants with entitlements to any such Note as if such accountholders or participants were the holder(s) thereof.

## 11.2 Trustee's powers and duties

- 11.2.1 *Trustee's determination*: The Trustee may determine whether or not a default in the performance or observance by the Issuer or a Guarantor of any obligation under the provisions of this Trust Deed or contained in the Notes, Receipts or Coupons is capable of remedy and/or materially prejudicial to the interests of the Noteholders and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Noteholders such certificate shall be conclusive and binding upon the Issuer, the Guarantors, the Noteholders, the Receiptholders and the Couponholders;
- 11.2.2 *Determination of questions*: the Trustee as between itself and the Noteholders, the Receiptholders and the Couponholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust

Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee, the Noteholders, the Receiptholders and the Couponholders;

- 11.2.3 *Trustee's discretion:* the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but, whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Noteholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;
- 11.2.4 *Trustee's consent:* any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- 11.2.5 *Conversion of currency:* where it is necessary or desirable for any purpose in connection with this Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Trust Deed or required by law) be converted at such rate(s) of exchange, in accordance with such method and as at such date for the determination of such rate(s) of exchange as may be agreed by the Trustee in consultation with the Issuer as relevant and any rate of exchange, method and date so agreed shall be binding on the Issuer, the Guarantors, the Noteholders, the Receiptholders and the Couponholders;
- 11.2.6 *Application of proceeds:* the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes, the exchange of any Temporary Global Note for any Permanent Global Note or Bearer Notes in definitive form, the exchange of any Permanent Global Note for Notes in definitive form, the exchange of any Registered Global Note for Definitive Registered Notes or the delivery of any Note, Receipt or Coupon to the persons entitled to them;
- 11.2.7 *Error of judgment:* the Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;
- 11.2.8 *Agents:* the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in selecting any such person, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct,

omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

11.2.9 *Delegation*: the Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officer(s) for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person(s) or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Noteholders and, provided the Trustee shall have exercised reasonable care in selecting any such person, the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;

11.2.10 *Custodians and nominees*: the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in selecting any such person, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer; and

11.2.11 *Confidential information*: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder, Receipholder or Couponholder confidential information or other information made available to the Trustee by the Issuer or any Guarantor in connection with this Trust Deed and no Noteholder, Receipholder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information.

### 11.3 Financial matters

11.3.1 *Professional charges*: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;

11.3.2 *Expenditure by the Trustee:* nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and

11.3.3 *Trustee may enter into financial transactions with the Issuer:* no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer, any Guarantor or other Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer, any Guarantor or other Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer, any Guarantor or other Subsidiary or any person or body corporate directly or indirectly associated with the Issuer, any Guarantor or other Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Noteholders, the Receiptholders, the Couponholders, the Issuer, any Guarantor or other Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer, any Guarantor or other Subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

#### 11.4 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by this Trust Deed. Where there are any inconsistencies between the Trustee Acts and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act.

#### 11.5 Trustee Liability

Subject to Section 750 of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in this Trust Deed, the Notes or the Paying Agency Agreement, the Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed, the Notes or the Paying Agency Agreement save in relation to its own gross negligence, wilful default or fraud.

### 12. COSTS AND EXPENSES

#### 12.1 Remuneration

12.1.1 *Normal remuneration:* The Issuer or, failing whom, the Guarantors, shall pay to the Trustee remuneration for its services as trustee as from the date of this Trust Deed, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Trustee. Such remuneration shall be payable in advance on the anniversary of the date hereof in each year and the first

payment shall be made on the date hereof. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders, Receiptholders or Couponholders up to and including the date when, all the Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Principal Paying Agent or the Trustee, *provided that* if upon due presentation (if required pursuant to the Conditions) of any Note or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue).

12.1.2 *Extra remuneration:* In the event of the occurrence of an Event of Default the Issuer agrees that the Trustee shall be entitled to be paid additional remuneration which shall be calculated at its normal hourly rates in force from time to time. In any other case, if the Trustee considers it expedient or necessary or being requested by the Issuer or a Guarantor to undertake duties which the Trustee and the Issuer or a Guarantor agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, the Issuer or, failing whom, the Guarantors, shall pay to the Trustee such additional remuneration as shall be agreed between them.

12.1.3 *Value added tax:* The Issuer or, failing whom, the Guarantors, shall in addition pay to the Trustee an amount equal to the amount of any value added tax (upon provision by the Trustee of a valid invoice for value added tax purposes), goods and services tax (upon provision by the Trustee of a valid invoice for goods and services tax purposes) or similar tax chargeable in respect of its remuneration under this Trust Deed.

12.1.4 *Failure to agree:* In the event of the Trustee and the Issuer or the Guarantors failing to agree:

- (a) (in a case to which sub-clause 12.1.1 applies) upon the amount of the remuneration; or
- (b) (in a case to which sub-clause 12.1.2 applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, or upon such additional remuneration;

such matters shall be determined by a person or investment bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such person or investment bank being payable by the Issuer or, failing whom, the Guarantors) and the determination of any such person or investment bank shall be final and binding upon the Trustee, the Issuer and the Guarantors.

12.1.5 *Expenses:* The Issuer or, failing whom, the Guarantors shall also pay or discharge all costs, charges and expenses incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Trust Deed,

including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Trust Deed.

12.1.6 *Indemnity*: The Issuer or, failing whom, the Guarantors shall indemnify the Trustee (a) in respect of all liabilities and expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Trust Deed *provided that* it is expressly stated that Clause 11.5 (*Trustee Liability*) shall apply in relation to these provisions.

12.1.7 *Payment of amounts due*: All amounts due and payable pursuant to sub-clauses 12.1.5 (*Expenses*) and 12.1.6 (*Indemnity*) shall be payable by the Issuer on the date specified in a demand by the Trustee; the rate of interest applicable to such payments shall be equal to the Trustee's cost of borrowing and interest shall accrue:

- (a) in the case of payments made by the Trustee prior to the date of the demand, from the date on which the payment was made or such later date as specified in such demand;
- (b) in the case of payments made by the Trustee on or after the date of the demand, from the date specified in such demand, which date shall not be a date earlier than the date such payments are made.

All remuneration payable to the Trustee shall carry interest at the rate specified in this Clause 12.1.7 (*Payment of amounts due*) from the due date thereof;

12.1.8 *Apportionment of expenses*: The Trustee shall apportion the costs, charges, expenses and liabilities incurred by the Trustee in the preparation and execution of the trusts of this Trust Deed (including remuneration of the Trustee) between the several Series of Notes in such manner and in such amounts as it shall, in its absolute discretion, consider appropriate.

12.1.9 *Discharges*: Unless otherwise specifically stated in any discharge of this Trust Deed the provisions of this Clause 12.1 (*Remuneration*) shall continue in full force and effect notwithstanding such discharge.

12.1.10 *Payments*: All payments to be made by the Issuer or a Guarantor to the Trustee under this Trust Deed shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or the relevant Guarantor, shall pay such additional amounts as would have been received by it had no such withholding or deduction been required.

## 12.2 Stamp duties

The Issuer or, failing whom, the Guarantors will pay all stamp duties, registration taxes, capital duties and other similar duties or taxes (if any) payable on (a) the constitution and issue of the Notes, (b) the initial delivery of the Notes, (c) any action taken by the Trustee (or any Noteholder, Receiptholder or Couponholder where permitted or required under this Trust Deed so to do) to enforce the provisions of the Notes or this Trust Deed and (d) the execution of this Trust Deed. If the Trustee (or any Noteholder, Receiptholder, or Couponholder where permitted under this Trust Deed so to do) shall take any proceedings against the Issuer or a Guarantor in any other jurisdiction and if for the purpose of any such proceedings this Trust Deed or any Notes is taken into any such jurisdiction and any stamp duties or other duties or taxes become payable thereon in any such jurisdiction, the Issuer will pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

## 12.3 Exchange rate indemnity

12.3.1 *Currency of Account and Payment:* The Contractual Currency is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Trust Deed, the Notes, the Receipts and the Coupons including damages;

12.3.2 *Extent of Discharge:* An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer, the Guarantor or otherwise) by the Trustee or any Noteholder, Receiptholder or Couponholder in respect of any sum expressed to be due to it from the Issuer and/or a Guarantor will only discharge the Issuer and/or the relevant Guarantor to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so); and

12.3.3 *Indemnity:* If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Notes, the Receipts or the Coupons, the Issuer or, failing whom, the Guarantors will indemnify it against any Liability sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

## 12.4 Indemnities separate

The indemnities in this Clause 12 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Trustee and/or any Noteholder, Receiptholder or Couponholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed or the Notes, the Receipts or the Coupons or any other judgment or order. Any such Liability as referred to in sub-clause 12.3.3 (*Indemnity*) shall be deemed to constitute a Liability suffered by the Trustee, the

Noteholders, the Receipholders and the Couponholders and no proof or evidence of any actual Liability shall be required by the Issuer or the Guarantors or their liquidator or liquidators.

### 13. APPOINTMENT AND RETIREMENT

#### 13.1 Appointment of Trustees

The power of appointing new trustees of this Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Noteholders. A trust corporation may be appointed sole trustee hereof but subject thereto there shall be at least two trustees hereof one at least of which shall be a trust corporation. Any appointment of a new trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Agents and the Noteholders. The Noteholders shall together have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof. The removal of any trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such removal.

#### 13.2 Co-trustees

Notwithstanding the provisions of Clause 13.1 (*Appointment of Trustees*), the Trustee may, upon giving prior notice to the Issuer and the Guarantors but without the consent of the Issuer, the Guarantors or the Noteholders, the Receipholders or the Couponholders, appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:

13.2.1 if the Trustee considers such appointment to be in the interests of the Noteholders, the Receipholders or the Couponholders; or

13.2.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed; or

13.2.3 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained or of this Trust Deed.

#### 13.3 Attorneys

The Issuer and each of the Guarantors each hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Trust Deed) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by this Trust Deed) and such duties and obligations as shall be conferred on such person or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such proper remuneration as the Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Trust Deed be treated as costs, charges and expenses incurred by the Trustee.



#### 13.4 Retirement of Trustees

Any Trustee for the time being of this Trust Deed may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer and the Guarantors without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such retirement. Each of the Issuer and each Guarantor hereby covenants that in the event of the only trustee hereof which is a trust corporation giving notice under this Clause it shall use its best endeavours to procure a new trustee, being a trust corporation, to be appointed and if the Issuer has not procured the appointment of a new trustee within 30 days of the expiry of the Trustee notice referred to in this Clause 13.4, the Trustee shall be entitled to procure forthwith a new trustee.

#### 13.5 Competence of a majority of Trustees

Whenever there shall be more than two trustees hereof the majority of such trustees shall (provided such majority includes a trust corporation) be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this Trust Deed in the Trustee generally.

#### 13.6 Powers additional

The powers conferred by this Trust Deed upon the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as the holder of any of the Notes, the Receipts or the Coupons.

#### 13.7 Merger

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

### 14. **NOTICES**

#### 14.1 Addresses for notices

All notices and other communications hereunder shall be made in writing and in English (by letter, fax or email) and shall be sent as follows:

14.1.1 *Issuer*: If to the Issuer, to it at:

Level 10  
1 Willis Street  
Wellington  
New Zealand

Fax: +64 4 471 0013  
Attention: Treasurer  
Email: Andrew.Hopkinson@chorus.co.nz

14.1.2 *Trustee*: if to the Trustee, to it at:

Fifth Floor  
100 Wood Street  
London E2V 7EX  
England

Fax: +44 2076060643  
Email: trust.support@lawdeb.com  
Attention: The Manager, Commercial Trusts (Trust Reference: 137307)

14.1.3 *Guarantors*: if to the Original Guarantor

Level 10  
1 Willis Street  
Wellington  
New Zealand

Fax: +64 4 471 0013  
Attention: Treasurer  
Email: Andrew.Hopkinson@chorus.co.nz

or, in any such case, to such other address, fax number or email address for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose.

## 14.2 Effectiveness

Every notice or other communication sent in accordance with Clause 14.1 shall (i) if sent by letter, be deemed to have been delivered 7 days after the time of despatch, (ii) if sent by fax be deemed to have been delivered at the time of despatch *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee and (iii) if sent by email, be deemed to have been received (a) in the case of communications to the Trustee, upon written confirmation of receipt from the Trustee (for the avoidance of doubt an automatically generated "received" or "read" receipt will not constitute written confirmation) and (b) otherwise, when the relevant receipt of such email being read is given or where no receipt is requested by the sender at the time of sending, *provided that* no delivery failure notification is received by the sender, within 24 hours of sending such email *provided that* any email which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect on the next following business day in such place. The Trustee agrees to use reasonable endeavours to send written confirmations of receipt of email promptly after receipt of such emails.

Every communication shall be irrevocable save in respect of any manifest or proven error therein.

#### 14.3 No Notice to Couponholders or Receiptholders

Neither the Trustee nor the Issuer or any Guarantor shall be required to give any notice to the Couponholders or Receiptholders for any purpose under this Trust Deed and the Couponholders and Receiptholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with Condition 20.

### 15. LAW AND JURISDICTION

#### 15.1 Governing law

This Trust Deed and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

#### 15.2 English courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with this Trust Deed or the Notes (including a dispute relating to the existence, validity or termination of this Trust Deed or the Notes or any non-contractual obligation arising out of or in connection with them) or the consequences of their nullity.

#### 15.3 Appropriate forum

The parties agree that the courts referred to in Clause 15.2 (*English courts*) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.

#### 15.4 Rights of the Trustee and Noteholders to take proceedings outside England

Clause 15.2 (*English courts*) is for the benefit of the Trustee and the Noteholders only. As a result, nothing in this Clause 15 (*Law and jurisdiction*) prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

#### 15.5 Process agent

Each of the Issuer and Guarantors agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to The Law Debenture Trust Corporation p.l.c. at Fifth Floor, 100 Wood Street, London E2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantors, the Issuer and the Guarantors (acting together) shall, on the written demand of the Trustee addressed to the Issuer and the Guarantors and delivered to the Issuer and the Guarantors appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer and the

Guarantors and delivered to the Issuer and the Guarantors. Nothing in this paragraph shall affect the right of the Trustee or any of the Noteholders to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

16. **SEVERABILITY**

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any provision of this Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

18. **COUNTERPARTS**

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

**IN WITNESS WHEREOF** this Trust Deed has been executed as a deed by the parties hereto and is intended to be and is hereby delivered on the date first before written.

**SCHEDULE 1**  
**TERMS AND CONDITIONS OF THE NOTES**

1. **Introduction**

- (a) *Programme:* Chorus Limited (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$2,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Chorus New Zealand Limited (the "**Original Guarantor**") and certain other subsidiaries of the Issuer from time to time (together with the Original Guarantor, the "**Guarantors**").
- (b) *Pricing Supplement:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.
- (c) *Trust Deed:* The Notes are constituted by, are subject to, and have the benefit of, an amended and restated trust deed dated 10 April 2019 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, the Original Guarantor and The Law Debenture Trust Corporation p.l.c. as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) *Paying Agency Agreement:* The Notes are the subject of an amended and restated issue and paying agency agreement dated 28 September 2016 (the "**Paying Agency Agreement**") between, amongst others, the Issuer, the Original Guarantor, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), Citibank, N.A., London Branch as transfer agent (together with the Paying Agents, the "**Agents**") and the Trustee.
- (e) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement and may be issued in bearer or registered form. Copies of the relevant Pricing Supplement are available for viewing at Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf London E14 5LB, United Kingdom and copies may be obtained from Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf London E14 5LB, United Kingdom.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Trust Deed and the Paying Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Paying Agency

Agreement applicable to them. Copies of the Trust Deed and the Paying Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

## 2. **Interpretation**

(a) *Definitions:* In these Conditions the following expressions have the following meanings:

**"Accrual Yield"** has the meaning given in the relevant Pricing Supplement;

**"Additional Business Centre(s)"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Additional Financial Centre(s)"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Asset"** shall include an interest in, or in the assets of, any joint venture, partnership or similar venture (whether or not incorporated) in which any one or more of the Issuer and the Guarantors are participant(s);

**"Borrowed Moneys Indebtedness"** means:

- (a) indebtedness for moneys borrowed;
- (b) indebtedness in respect of guarantees or similar indemnities;
- (c) acceptance credits;
- (d) indebtedness in respect of negotiable instruments;
- (e) money owing in respect of interest rate and cross-currency swaps; and
- (f) payments under rental or lease arrangements entered into primarily for the purpose of raising or obtaining finance;

**"Business Day"** means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing

Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be 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 will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means, in relation to the Notes of any Series, the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

**"Calculation Amount"** has the meaning given in the relevant Pricing Supplement;

**"Coupon Sheet"** means, in respect of a Bearer Note, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant 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 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 (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
  - (iii) if "**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 (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
  - (iv) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
  - (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

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 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";

if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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; and

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

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

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,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Extraordinary Resolution**" has the meaning given to it in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Group**" has the meaning given to it in the Trust Deed.

"**Guarantee of the Notes**" means the guarantee of the Notes given by the Guarantors in the Trust Deed;

"**Initial Rate of Interest**" means the Rate of Interest applicable with respect to the first Interest Period;

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means in relation to any interest-bearing Note, the date specified in the relevant Pricing Supplement from which the Note bears interest or, if no date is specified therein, the Issue Date;

**"Interest Determination Date"** has the meaning given in the relevant Pricing Supplement;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date"** has the meaning given in the relevant Pricing Supplement;

**"Margin"** has the meaning given in the relevant Pricing Supplement;

**"Maturity Date"** has the meaning given in the relevant Pricing Supplement;

**"Maximum Redemption Amount"** has the meaning given in the relevant Pricing Supplement;

**"Minimum Redemption Amount"** has the meaning given in the relevant Pricing Supplement;

**"Noteholder"** and (in relation to a Note) **"holder"** means (in the case of a Bearer Note) the bearer of a Note and (in the case of a Registered Note) a person in whose name the Note is registered in the Register (or in the case of joint holders the first named thereof) save that, for so long as the Notes of any Series are represented by a Global Note each

person who has for the time being a particular principal amount of such Notes credited to his securities account in the records of Clearstream, Luxembourg or Euroclear shall be deemed to be the Noteholder in respect of the principal amount of such Notes for all purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, solely in the bearer, in the case of a Bearer Note in Global Note form, or registered holder in the case of a Registered Global Note in accordance with and subject to the terms of the Trust Deed and such Global Note;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Pricing Supplement;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Pricing Supplement;

**"Participating Member State"** means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which commercial banks and foreign exchange markets settle payments in any Additional Financial Centre(s) specified herein; and
  - (ii) a TARGET Settlement Day; or
- (b) if the currency of payment is not euro, any day on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means Wellington and Auckland;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

**"Reference Banks"** has the meaning given 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 Price"** has the meaning given in the relevant Pricing Supplement;

**"Reference Rate"** has the meaning given in the relevant Pricing Supplement;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (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 Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the

date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such 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;

**"Reserved Matter"** means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, the Guarantor or any other person or body corporate formed or to be formed (other than as permitted under Clause 8.3 of the Trust Deed);
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to modify any provision of the guarantee of the Notes (other than as permitted under Clause 8.3 of the Trust Deed);
- (e) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution; or
- (f) to amend this definition;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction, but not including a security interest in relation to personal property that is created or provided for by:

- (i) a transfer of an account receivable or chattel paper;
- (ii) a lease for a term of more than one year; or
- (iii) a commercial consignment,

that does not secure payment or performance of an obligation;

**"Specified Currency"** has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Paying Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Total Tangible Assets**" has the meaning given to it in the Trust Deed;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes;
- (viii) any reference to the Trust Deed or the Paying Agency Agreement shall be construed as a reference to the Trust Deed or the Paying Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (ix) any reference to a provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

### 3. **Form, Denomination and Title**

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

All Registered Notes shall have the same Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Instalment Note, a Dual Currency Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Paying Agency Agreement. The Issuer, the Guarantors, the Trustee and any Agent may deem and treat the bearer of any Bearer Note or Registered Note as the absolute owner thereof free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Bearer Note or Registered Note (whether or not such Bearer Note or Registered Note shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any



Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or, as the case may be, the registered holder of the Registered Global Note shall be treated by the Issuer, the Guarantors, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Guarantors, the Principal Paying Agent and the Trustee (whether specified in the applicable Pricing Supplement or otherwise).

#### 4. **Transfers of Registered Notes**

- (a) *Transfers of interests in Registered Global Notes:* Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Paying Agency Agreement.
- (b) *Transfers of Registered Notes in definitive form:* A Registered Note in definitive form may, upon the terms and subject to the conditions set forth in the Trust Deed, be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b)

complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

- (c) *Costs of registration:* Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.
- (d) *Closed Periods:* The Issuer shall not be required:
  - (i) in the event of a partial redemption of Notes under Condition 11(d):
    - (A) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 65<sup>th</sup> day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or
    - (B) to register the transfer of any Registered Note, or part of a Registered Note, called for redemption; or
  - (ii) to register the transfer of Registered Notes (or parts of Registered Notes) (A) during the period of 10 Business Days in London immediately prior to any Record Date in respect of that Note or (B) during the period commencing on the Record Date in respect of the final Interest Payment Date in respect of that Note and ending on such Interest Payment Date.

## 5. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes constitute direct and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

- (b) *Guarantee of the Notes:* The Guarantors have in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed in respect of the Notes, Receipts or Coupons. This Guarantee of the Notes constitutes direct and unconditional obligations of each Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

6. **Negative Pledge**

- (a) Save as provided herein and in paragraph (b) below, so long as any of the Notes remain outstanding (as defined in the Trust Deed) the Issuer and the Guarantors will not create or permit to exist any Security Interest over any of their respective Assets to secure any indebtedness or liabilities (direct or contingent) for Borrowed Moneys Indebtedness unless the Issuer or the relevant Guarantor, as the case may be, shall simultaneously with or prior to the creation of such Security Interest, take or procure to be taken any and all action necessary to procure that the benefit of the Security Interest is extended equally and rateably to the Notes, provided that this covenant shall not apply to, and accordingly the Issuer and any of the Guarantors shall be at liberty to create or permit to exist without breach hereof, any Security Interest:
- (i) arising by operation of law or statute in the ordinary course of business, or securing taxes or other governmental or regulatory levies, duties or imposts, or any Security Interest in the nature of a contractor's, supplier's or vendor's lien, so long as (in each of the foregoing cases) the payment of the money secured thereby is not in default or the liability therefor of the Issuer or the relevant Guarantor is being contested by appropriate proceedings; or
  - (ii) created over any Asset acquired, constructed, repaired, maintained or improved, for the sole purpose of financing or refinancing the cost of such acquisition, construction, repair, maintenance or improvement, or over the land upon which such Asset is situated, provided that any Security Interest created pursuant to this paragraph:
    - (A) secures no more than the fair value of the Asset (as acquired, constructed, maintained or improved) as at the time such Security Interest is created; and
    - (B) does not secure Borrowed Money Indebtedness owed to Crown Infrastructure Partners Limited; or
  - (iii) over any Assets of the Subsidiary which becomes a Guaranteeing Subsidiary after the date of the Trust Deed, which existed, or which such Subsidiary was contractually bound to enter into, at the date it became a Guaranteeing Subsidiary and which was not created in anticipation of such Subsidiary becoming a Guaranteeing Subsidiary; or
  - (iv) over any Assets acquired by the Issuer or the relevant Guarantor after the date of the Trust Deed, which existed at the date of, and was not created in anticipation of, the acquisition thereof by the Issuer or the relevant Guarantor concerned; or

- (v) created or permitted to exist over the whole or any part of its right, title or interest (whether by way of shareholding, partnership share or otherwise) in, or in the Assets of, any joint venture, partnership or similar venture (whether or not incorporated) the sole purpose of which is the development or exploitation of a project (a "**Project Venture**"), to secure Borrowed Moneys Indebtedness incurred by the Issuer or the relevant Guarantor in connection with its interest in such Project Venture and created or permitted to exist only in favour of a participant or participants therein, provided no such participant is Crown Infrastructure Partners Limited; or
  - (vi) over Assets of the Issuer or the relevant Guarantor comprising cash, deposits, financial instruments or other monetary Assets, where such Security Interest does not extend to other Assets of the Issuer or the relevant Guarantor and is created to secure new borrowings or indebtedness undertaken or incurred to raise or acquire such cash, deposits, instruments or other monetary Assets and the giving of such Security Interest is consistent with ordinary banking or business principles or practices then current and applicable in the relevant market and/or jurisdiction in relation to indebtedness of that nature; or
  - (vii) created in substitution for any Security Interest otherwise permitted hereunder; or
  - (viii) in favour of the Issuer or the relevant Guarantor provided that the Issuer or the relevant Guarantor, as the case may be, in whose favour it is created retains at all times the sole beneficial ownership of and all rights, powers and benefits in relation to such Security Interest; or
  - (ix) created with the prior written consent of the Trustee after, if the Trustee so requires, approval by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- (b) Notwithstanding the provisions of paragraph (a) above, the Issuer/Guarantor(s) may, in addition to and separately from the Security Interests permitted under paragraph (a) above, create or permit to exist any Security Interest of any nature over any of its or their Assets to secure any Borrowed Moneys Indebtedness if and to the extent that the aggregate principal amount of the Borrowed Moneys Indebtedness so secured by all such Security Interests created or permitted to subsist by this paragraph (b) (but other than any Security Interests attaching only to Assets which are not included in the Total Tangible Assets of the Group) does not exceed five per cent of the Total Tangible Assets of the Group.

## 7. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Initial Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, payment of the Redemption Amount is improperly

withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (e) *Step-up rate of interest:* If this Condition 7(e) is specified as applicable in the applicable Pricing Supplement, the Rate of Interest will be the Initial Rate of Interest specified in the applicable Pricing Supplement. The Initial Rate of Interest shall be subject to adjustment (each such adjustment, a "**Rate Adjustment**") in the event of a Step-up Rating Change (if any) or a subsequent Step-down Rating Change (if any), as the case may be, in accordance with the following provisions. Any Rate Adjustment shall apply in respect of the Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step-up Rating Change or Step-down Rating Change, as the case may be, until either a further Rate Adjustment becomes effective or the date of redemption, as the case may be.

For any Interest Period commencing on or after the first Interest Payment Date immediately following the date of a Step-up Rating Change, if any, the Rate of Interest shall be increased by the Ratings Downgrade Step-up Margin specified in the applicable Pricing Supplement.

In the event that a Step-down Rating Change occurs after the date of a Step-up Rating Change (or on the same date but subsequent thereto), then for any Interest Period commencing on the first Interest Payment Date following the date of such Step-down Rating Change, the Rate of Interest shall be the Initial Rate of Interest.

The Issuer shall use all reasonable efforts to maintain credit ratings for Notes issued, or to be issued, by it from both Rating Agencies (as defined below). In the event that either Rating Agency fails to or ceases to assign a rating to Notes issued, or to be issued, by the Issuer, the Issuer shall use all reasonable efforts to obtain a rating of Notes issued, or to be issued, by it from a Substitute Rating Agency (as defined below), and references in this Condition 7(e) to Moody's or S&P Global (each as defined below), as the case may be, or the ratings thereof, shall be to such Substitute Rating Agency or, as the case

may be, the equivalent ratings thereof. In the event that such a rating is not obtained from a Substitute Rating Agency, then, for the purposes of the foregoing adjustments to the Rate of Interest, the ratings assigned by the remaining Rating Agency shall be deemed also to be the ratings assigned by the other Rating Agency.

In the event that both Rating Agencies fail to or cease to assign a rating to Notes issued, or to be issued, by the Issuer and the Issuer fails to obtain a rating of Notes issued, or to be issued, by it from a Substitute Rating Agency, a Step-up Rating Change will be deemed to have occurred on the date of such failure but not otherwise. If a rating of Notes issued, or to be issued, by the Issuer is subsequently assigned by one or more Rating Agencies or a Substitute Rating Agency, then if such rating (or ratings if more than one) is at least *Baa3*, in the case of Moody's, or at least *BBB-*, in the case of S&P Global, or the equivalent ratings in the case of a Substitute Rating Agency, a Step-down Rating Change will be deemed to have occurred on the date of such assignment.

The Rate of Interest will only be subject to adjustment due to a Step-up Rating Change or a deemed Step-up Rating Change as provided above upon the first occurrence on or after the Interest Commencement Date of a Step-up Rating Change and may occur only once. An adjustment to the Rate of Interest following the occurrence of a Step-down Rating Change or a deemed Step-down Rating Change as provided above may only occur once and, in any event, only after the occurrence of the Step-up Rating Change.

The Issuer shall cause each Rating Change (if any) and the applicable Rate of Interest to be notified to the Principal Paying Agent, the Trustee, any stock exchange on which the relevant Notes are for the time being listed and the Noteholders (in accordance with Condition 20) as soon as practicable after such Rating Change.

In this Condition:

**"Rating Agencies"** means Moody's Investor Service Limited ("**Moody's**") and S&P Global Ratings, a division of S&P Global Inc. ("**S&P Global**"), any of their successors and any Substitute Rating Agency;

**"Rating Change"** means a Step-up Rating Change and/or a Step-down Rating Change;

**"Step-down Rating Change"** means, subject as provided above in relation to a deemed Step-down Rating Change, the first public announcement after a Step-up Rating Change by both Rating Agencies of an increase in, or confirmation of, the rating of Notes issued, or to be issued, by the Issuer to at least *Baa3*, in the case of Moody's, and to at least *BBB-*, in the case of S&P Global. For the avoidance of doubt, any further increases in the credit rating of Notes issued, or to be issued, by the Issuer above *Baa3*, in the case of Moody's, or above *BBB-*, in the case of S&P Global, shall not constitute a Step-down Rating Change;

**"Step-up Rating Change"** means, subject as provided above in relation to a deemed Step-up Rating Change, the first public announcement by either or both Rating Agencies of a decrease in the rating of Notes issued, or to be issued, by the Issuer to below *Baa3*, in the case of Moody's, or below *BBB-*, in the case of S&P Global. For the avoidance of doubt, any further decrease in the credit rating of Notes issued, or to be issued, by the Issuer below *Baa3*, in the case of Moody's, or below *BBB-*, in the case of S&P Global, shall not constitute a Step-up Rating Change;

**"Substitute Rating Agency"** means a rating agency of equivalent international standing by the Issuer;

- (f) *Minimum Volume/Coupon Step-up:* If this Condition 7(f) is specified as applicable in the applicable Pricing Supplement the Rate of Interest applicable to the Notes shall be subject to adjustment in accordance with the applicable Pricing Supplement.

## 8. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 8 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Initial Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

- (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

- (B) determine the arithmetic mean of such quotations; and

- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the



Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- (g) *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 will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.
- (h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 9. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after

the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. **Dual Currency Note Provisions**

- (a) *Application:* This Condition 10 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

11. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 12 (*Payments*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or
  - (i) on any Interest Payment Date (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

- (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of New Zealand or any political subdivision or any authority thereof or therein having power to tax (including, without limitation, any increase in the rate of Approved Issuer Levy payable pursuant to the Stamp and Cheque Duties Act 1971 (NZ)), or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it (but not including paying the increased amount of Approved Issuer Levy); or
- (B) (1) a Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of New Zealand or any political subdivision or any authority thereof or therein having power to tax (including, without limitation, any

increase in the rate of Approved Issuer Levy payable pursuant to the Stamp and Cheque Duties Act 1971 (NZ)), or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it (but not including paying the increased amount of Approved Issuer Levy),

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the relevant Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the relevant Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 11(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11.

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 11(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the

Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 11(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 11(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit a duly completed Put Option Notice in the form obtainable from the Paying Agent and, in the case of a Put Option Notice relating to Definitive Notes, such Definitive Notes with any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 11(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of such Definitive Note, the payment of such redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 11(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference 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 such 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 shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the

purposes of this Condition 11(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) *Purchase:* The Issuer, a Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** (in the case of Bearer Notes) all unmatured Coupons are purchased therewith.
- (i) *Cancellation:* All Notes so redeemed or purchased by the Issuer, a Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or sold.

## 12. **Payments**

### (A) ***Payments Generally***

- (a) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (b) *Payments subject to fiscal laws:* Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 13 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (c) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (d) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon or, in the case of Registered Notes, record upon the Register a statement indicating the amount and date of such payment.

### (B) ***Payments in respect of Bearer Notes***

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that

currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

- (b) *Interest:* Payments of interest shall, subject to paragraph (f) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Deductions for unmatured Coupons:* If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; and
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (d) *Unmatured Coupons void:* If the relevant Pricing Supplement specifies that this Condition 12(B)(d) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 11(b) (*Redemption for tax reasons*), Condition 11(e) (*Redemption at the option of Noteholders*), Condition 11(c) (*Redemption at the option of the Issuer*) or Condition 14 (*Events of Default and*

*Enforcement*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

- (e) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (f) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (g) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (h) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

**(C) *Payments in respect of Registered Notes***

- (a) *Principal:* Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the Specified Office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the fifteenth day (being for the purpose of this paragraph (a) a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Wellington respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

- (b) *Interest:* Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Note.

13. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or a Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of New Zealand or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the relevant Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
- (i) held by or on behalf of a holder in respect of which the liability to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon arises by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) presented for payment in New Zealand if such withholding or deduction would not have been required if the Note or Coupon was presented for payment outside New Zealand; or
  - (iii) where such withholding or deduction is for or on account of New Zealand resident withholding tax; or
  - (iv) held by or on behalf of a holder which is associated with the Issuer or the relevant Guarantor for the purposes of the Approved Issuer Levy or non-resident



withholding tax rules in the Income Tax Act 2007 of New Zealand or which holds the Note or Coupon or derives the interest jointly with a New Zealand resident; or

- (v) where the relevant Note or Coupon is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.
- (b) *Resident Withholding Tax:* The Issuer or the Guarantors (as applicable) are required by law to deduct New Zealand resident withholding tax from the payment of interest to the holder of any Note on any Interest Payment Date or the Maturity Date, if:
- (i) the holder is a resident of New Zealand for income tax purposes or otherwise receives payments of principal or interest from the Issuer or a Guarantor subject to the New Zealand resident withholding tax rules (a "**New Zealand Holder**"); and
  - (ii) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes (and otherwise does not have exempt status for New Zealand resident withholding tax purposes).

Prior to any Interest Payment Date or Maturity Date any New Zealand Holder:

- (i) must notify the Issuer or the Guarantors (as applicable) or a Paying Agent that the New Zealand Holder is the holder of a Note; and
- (ii) must notify the Issuer or the Guarantors (as applicable) or a Paying Agent of any circumstances, and provide the Issuer or the Guarantors (as applicable) or the relevant Paying Agent with any information, that may enable the Issuer or the Guarantors (as applicable) to make the payment of interest to the New Zealand Holder without deduction on account of a New Zealand resident withholding tax.

A New Zealand Holder must notify the Issuer and the Guarantors (as applicable), prior to any Interest Payment Date or the Maturity Date, of any change in the New Zealand Holder's circumstances from those previously notified that could affect the Issuer's or a Guarantor's payment or withholding obligations in respect of any Note. By accepting payment of the full face amount of a Note or any interest thereon on any Interest Payment Date or Maturity Date, a New Zealand Holder will be deemed to have indemnified the Issuer or the Guarantors (as applicable) for all purposes in respect of any liability which the Issuer or the Guarantors (as applicable) may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

- (c) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than New Zealand, references in these Conditions to New Zealand shall be construed as references to New Zealand and/or such other jurisdiction.

#### 14. **Events of Default and Enforcement**

If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee in each case, being indemnified and/or secured and/or prefunded to its satisfaction having certified in writing that the happening of any of the events described in paragraphs (c), (d), (f) and (in the case of any event having an analogous effect to any of the foregoing) (g) below, is in its opinion materially prejudicial to the interests of the Noteholders) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality:

- (a) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or
- (b) the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer or the relevant Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) any Borrowed Moneys Indebtedness of the Issuer or any Guarantor exceeding NZ\$10,000,000 (in aggregate) or its equivalent in any other currency is not repaid on its original maturity date (or within any applicable grace periods), or becomes due and payable by reason of default before its original maturity date, other than where contested in good faith by appropriate proceedings; or
- (d) the Issuer or any Guarantor is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the readjustment or rescheduling of its indebtedness generally, or makes a general assignment for the benefit of or an arrangement or composition with or for the benefit of its creditors; or
- (e) any order is made by any competent court or an effective resolution is passed or legislation is enacted for the liquidation, winding up or dissolution of the Issuer or any Guarantor, or a statutory manager is appointed in respect of the Issuer or any Guarantor under the Corporations (Investigations and Management) Act 1989 of New Zealand or any analogous or replacement legislation, or any analogous proceedings are taken in respect of the Issuer or any Guarantor, or the Issuer or any Guarantor ceases or threatens in writing to cease to carry on the whole or substantially the whole of its business, other than for the purposes of a reconstruction, amalgamation or reorganisation where the Issuer or the relevant Guarantor, as the case may be, is solvent and which (except in the case of an amalgamation with, or the distribution of Assets to, another Guarantor or Guarantors) has been approved by the Trustee; or
- (f) an encumbrancer takes possession or a receiver is appointed of the whole or any material part of the Assets or undertaking of the Issuer or any Guarantor, or a

distress or execution in an amount exceeding NZ\$10,000,000 (or its equivalent in any other currency) is levied or enforced upon or sued out against all or any material part of the Assets or undertaking of the Issuer or any Guarantor, except where the same is discharged or stayed within 30 days of commencement or is contested by the Issuer or such Guarantor in good faith by appropriate proceedings; or

- (g) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in the foregoing paragraphs.

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer and/or a Guarantor as it may think fit to recover any amounts due in respect of the Notes which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions but it shall not be bound to do so unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in principal amount of the outstanding Notes, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

15. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest (whether in respect of Bearer Notes or Registered Notes) shall become void unless the relevant Notes, Receipts, or Coupons are presented for payment within, in the case of Bearer Notes, five years or, in the case of Registered Notes ten years, of the appropriate Relevant Date.

16. **Replacement of Notes and Coupons**

If any Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Replacement Agent (in the case of Bearer Notes, Receipts, Talons or Coupons) or the Registrar (in the case of Registered Notes) (and, in each case, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Talons or Coupons must be surrendered before replacements will be issued.

17. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business

transactions with the Issuer, a Guarantor and any entity relating to the Issuer or a Guarantor without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Paying Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantors and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents, Transfer Agents and Registrars and their initial Specified Offices are listed below. The initial Calculation Agent (if differing from the Calculation Agent appointed pursuant to clause 13 of the Paying Agency Agreement) is specified in the relevant Pricing Supplement. The Issuer and the Guarantors (acting together) reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, other paying agent, registrar or calculation agent and additional or successor paying agents or registrars; **provided, however, that:**

- (a) the Issuer and the Guarantors shall at all times maintain a principal paying agent and a registrar;
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer and the Guarantors shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) in any particular place, the Issuer and the Guarantors shall maintain a Paying Agent and/or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

## 18. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantors (acting together) or by the Trustee, and shall be convened by the Trustee subject to its being indemnified and/or secured and/or pre-funded to its satisfaction upon the request in writing of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes. The quorum at any Meeting convened to vote on an Extraordinary Resolution will be two or more Voters holding or representing one more than half of the aggregate principal amount of the outstanding

Notes or, at any adjourned meeting, two or more Voters being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one-third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

The Trust Deed provides that (i) a written resolution signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting (a "**Written Resolution**") or (ii) where Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer, a Guarantor or the Trustee given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting (an "**Electronic Consent**") shall, in each case for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders, concur with the Issuer and the Guarantors in making any modification of these Conditions, the Paying Agency Agreement, the Notes or the Trust Deed (other than in respect of Reserved Matters or any provision of the Trust Deed referred to in such specification) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of these Conditions, the Paying Agency Agreement, the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders on such terms and conditions (if any) as shall seem expedient to it, authorise or waive any proposed breach or breach of any of the covenants or provisions contained in the Receipts, Coupons or Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Deed if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

If the Trustee so requires, the Issuer shall cause such authorisation, waiver or determination to be notified to the Noteholders as soon as practicable thereafter.

- (c) *Substitution:* The Trust Deed contains provisions under which the Trustee may, without the consent of the Noteholders, the Receiptholders or the Couponholders, agree to the substitution in place of the Issuer of a Guarantor or any other Subsidiary as principal debtor under the Trust Deed and in relation to the Notes, Receipts or Coupons of any Series **provided that** certain conditions specified in the Trust Deed are fulfilled.

No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or Couponholder, except to the extent provided for in Condition 13 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

20. **Notices**

All notices regarding the Bearer Notes will be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that any such newspaper publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any Stock Exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers or where published in such newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding Registered Notes will be deemed to be validly given if sent by first class mail (or its equivalent) or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are admitted to trading on a Stock Exchange and the rules of that Stock Exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any Definitive Notes are issued, there may, so long as the notes are represented in their entirety by any Global Note held on behalf of Euroclear or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a Stock Exchange or admitted to trading by any other relevant authority and the rules of that Stock Exchange, or as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to Euroclear or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent (in the case of the Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the relevant Principal Paying Agent or the Registrar through Euroclear or Clearstream, Luxembourg as the case may be, in such manner as the relevant Principal Paying Agent, the Registrar and Euroclear or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent or Registrar (as applicable), against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) *English courts:* Each of the Issuer and the Guarantors has in the Trust Deed agreed for the benefit of the Trustee and the Noteholders that the courts of England shall have

exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).

- (c) *Appropriate forum:* Each of the Issuer and the Guarantors agrees that the courts referred to in Condition 23(b) (*English courts*) are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.
- (d) *Rights of Noteholders to take proceedings outside England:* Nothing in this Condition 23 (*Governing Law and jurisdiction*) or the Trust Deed prevents the Trustee or any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any Noteholders may take concurrent Proceedings in any number of jurisdictions.

24. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999.



## SCHEDULE 2

### PART A FORM OF TEMPORARY GLOBAL NOTE

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

#### CHORUS LIMITED

*(incorporated with limited liability under  
the laws of New Zealand)*

**U.S.\$2,000,000,000**

**Euro Medium Term Note Programme**

**guaranteed by**

#### CHORUS NEW ZEALAND LIMITED

*(incorporated with limited liability under  
the laws of New Zealand)*

#### TEMPORARY GLOBAL NOTE

### 1. INTRODUCTION

#### 1.1 The Notes

This Temporary Global Note is issued in respect of the notes (the "**Notes**") of Chorus Limited (the "**Issuer**") described in the pricing supplement (the "**Pricing Supplement**"), a copy of which is annexed hereto. The Notes:

- 1.1.1 *Trust Deed:* are subject to, and have the benefit of, an amended and restated trust deed dated 10 April 2019 (as amended or supplemented from time to time, the "**Trust Deed**") made between the Issuer, Chorus New Zealand Limited (the "**Guarantor**") and The Law Debenture Trust Corporation p.l.c as trustee (the "**Trustee**", which expression includes all persons for the time being appointed trustee or trustees under the Trust Deed); and
- 1.1.2 *Agency Agreement:* are the subject of an amended and restated agency agreement dated 28 September 2016 (as amended or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, the Guarantor, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the other agents named therein (together with the Principal Paying Agent, the "**Agents**", which expression includes any successor or additional agents appointed from time to time in connection with the Notes) and the Trustee.

## 1.2 Construction

All references in this Temporary Global Note to an agreement, instrument or other document (including the Agency Agreement and the Trust Deed) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time *provided that*, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Temporary Global Note.

## 1.3 References to Conditions

Any reference herein to the "**Conditions**" is to the Conditions as defined in the Trust Deed, as supplemented, amended and/or replaced by the Pricing Supplement, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Temporary Global Note.

## 2. PROMISE TO PAY

### 2.1 Pay to bearer

The Issuer, for value received, promises to pay to the bearer of this Temporary Global Note, in respect of each Note represented by this Temporary Global Note, the Redemption Amount on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on each such Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions; *provided, however, that* such interest shall be payable only:

2.1.1 *Before the Exchange Date:* in the case of interest falling due before the Exchange Date (as defined below), to the extent that a certificate or certificates issued by Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**", together with Euroclear, the international central securities depositaries or "**ICSDs**") and/or any other relevant clearing system dated not earlier than the date on which such interest falls due and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto is/are delivered to the Specified Office of the Principal Paying Agent; or

2.1.2 *Failure to exchange:* in the case of interest falling due at any time, to the extent that the Issuer has failed to procure the exchange for a permanent global note of that portion of this Temporary Global Note in respect of which such interest has accrued.

### 2.2 NGN Principal Amount

If the Pricing Supplement specify that the New Global Note form is applicable, this Temporary Global Note shall be a "**New Global Note**" or "**NGN**" and the principal

amount of Notes represented by this Temporary Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression in this Temporary Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Temporary Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Temporary Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

### 2.3 **CGN Principal Amount**

If the Pricing Supplement specify that the New Global Note form is not applicable, this Temporary Global Note shall be a "**Classic Global Note**" or "**CGN**" and the principal amount of Notes represented by this Temporary Global Note shall be the amount stated in the Pricing Supplement or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in Schedule 1 (*Payments, Exchange and Cancellation of Notes*).

## 3. **NEGOTIABILITY**

This Temporary Global Note is negotiable and, accordingly, title to this Temporary Global Note shall pass by delivery.

## 4. **EXCHANGE**

### 4.1 **Permanent Global Note**

4.1.1 If the Pricing Supplement specify the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Note (the "**Exchange Date**"), the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note (which expression has the meaning given in the Trust Deed) in accordance with the Agency Agreement to the bearer of this Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

4.1.2 *Presentation and surrender:* presentation and (in the case of final exchange) presentation and surrender of this Temporary Global Note to or to the order of the Principal Paying Agent; and

4.1.3 *Certification:* receipt by the Principal Paying Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates issued by

Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent; *provided, however, that* in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by this Temporary Global Note.

#### 4.2 **Definitive Notes; Not D Rules**

If the Pricing Supplement specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specify that the C Rules are applicable or that neither the C Rules or the D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Note (the "**Exchange Date**"), the Issuer shall procure the delivery of Definitive Notes (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement with Coupons and Talons (if so specified in the Pricing Supplement) attached and in an aggregate principal amount equal to the principal amount of Notes represented by this Temporary Global Note to the bearer of this Temporary Global Note against presentation and surrender of this Temporary Global Note to or to the order of the Principal Paying Agent.

#### 4.3 **Definitive Notes; D Rules**

If the Pricing Supplement specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Global Note (the "**Exchange Date**"), the Issuer shall procure the delivery of Definitive Notes (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement with Coupons and Talons (if so specified in the Pricing Supplement) attached against:

- 4.3.1 *Presentation and surrender:* presentation and (in the case of final exchange) surrender of this Temporary Global Note to or to the order of the Principal Paying Agent; and
- 4.3.2 *Certification:* receipt by the Principal Paying Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The Definitive Notes so delivered from time to time shall be in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent; *provided, however, that* in no circumstances shall the aggregate principal amount of Definitive Notes so delivered exceed the initial principal amount of Notes represented by this Temporary Global Note.

## 5. DELIVERY OF PERMANENT GLOBAL OR DEFINITIVE NOTES

### 5.1 Permanent Global Note

Whenever any interest in this Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of this Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of Notes represented by such Permanent Global Note in accordance with its terms, in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of this Temporary Global Note to or to the order of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

### 5.2 Definitive Notes

Whenever this Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by this Temporary Global Note to the bearer of this Temporary Global Note against the surrender of this Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

## 6. WRITING DOWN

On each occasion on which:

- 6.1 *Permanent Global Note*: the Permanent Global Note is delivered or the principal amount of Notes represented thereby is increased in accordance with its terms in exchange for a further portion of this Temporary Global Note; or
- 6.2 *Definitive Notes*: Definitive Notes are delivered in exchange for this Temporary Global Note; or
- 6.3 *Cancellation*: Notes represented by this Temporary Global Note are to be cancelled in accordance with Condition 11(h) (*Redemption and Purchase - Cancellation*), the Issuer shall procure that:
  - 6.3.1 if the Pricing Supplement specify that the New Global Note form is not applicable, (i) the principal amount of Notes represented by the Permanent Global Note, the principal amount of such increase or (as the case may be) the aggregate principal amount of such Notes and (ii) the remaining principal amount of Notes represented by this Temporary Global Note (which shall be the previous principal amount of Notes represented by this Temporary Global Note less the aggregate of the amounts referred to in (i)) are entered in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto, whereupon the

principal amount of Notes represented by this Temporary Global Note shall for all purposes be as most recently so entered; and

- 6.3.2 if the Pricing Supplement specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs.

## 7. PAYMENTS

### 7.1 Recording of Payments

Upon any payment being made in respect of the Notes represented by this Temporary Global Note, the Issuer shall procure that:

- 7.1.1 *CGN*: if the Pricing Supplement specify that the New Global Note form is not applicable, details of such payment shall be entered in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Temporary Global Note shall be reduced by the principal amount so paid; and
- 7.1.2 *NGN*: if the Pricing Supplement specify that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Temporary Global Note shall be reduced by the principal amount so paid.

### 7.2 Discharge of Issuer's obligations

Payments due in respect of Notes for the time being represented by this Temporary Global Note shall be made to the bearer of this Temporary Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

### 7.3 Payment Business Day

If the currency of any payment made in respect of Notes represented by this Temporary Global Note is euro, the applicable Payment Business Day shall be any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of any payment made in respect of the Notes represented by this Temporary Global Note is not euro, the applicable Payment Business Day shall be any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

## 8. CONDITIONS APPLY

Until this Temporary Global Note has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Temporary Global Note shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the Holder of Definitive Notes and any related Coupons and Talons in the smallest

Specified Denomination and in an aggregate principal amount equal to the principal amount of the Notes represented by this Temporary Global Note.

**9. NOTICES**

Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by this Temporary Global Note (or by this Temporary Global Note and/or the Permanent Global Note) and this Temporary Global Note is (or this Temporary Global Note and/or the Permanent Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Trust Deed), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

**10. AUTHENTICATION**

This Temporary Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank, N.A., London Branch as principal paying agent.

**11. EFFECTUATION**

If the Pricing Supplement specify that the New Global Note form is applicable, this Temporary Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

**12. GOVERNING LAW**

This Temporary Global Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

**AS WITNESS** the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

**CHORUS LIMITED**

By: ..... By: .....  
[*manual or facsimile signature*] [ *manual or facsimile signature* ]  
(*duly authorised*) (*duly authorised*)

**ISSUED** on the Issue Date

**AUTHENTICATED** for and on behalf of  
CITIBANK, N.A., LONDON BRANCH as principal paying agent without  
recourse, warranty or liability

By: .....  
[*manual signature*]  
(*duly authorised*)

**EFFECTUATED** for and on behalf of

By: .....  
as common safekeeper without  
recourse, warranty or liability

By: .....  
[*manual signature*]  
(*duly authorised*)





**SCHEDULE 2**  
**FORM OF ACCOUNTHOLDER'S CERTIFICATION**

**CHORUS LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**[currency][amount]**  
**[title of Notes] issued under**

**U.S.\$2,000,000,000**  
**Euro Medium Term Note Programme**

**guaranteed by**

**CHORUS NEW ZEALAND LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (a) are owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (b) are owned by United States person(s) that (i) are foreign branches of a United States financial institution (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("**financial institutions**") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the issuer or the issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (c) (whether or not also described in clause (a) or (b)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Rule 903(b)(3) of Regulation S under the Securities Act of 1933, as amended (the "**Act**"), then this is also to certify that, except as set forth below, the Securities are beneficially owned by (1) non-U.S. person(s) or (2) U.S. person(s) who purchased the Securities in transactions which did not require registration under the Act. As used in this paragraph the term "**U.S. person**" has the meaning given to it by Regulation S under the Act.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia); and its "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.



**SCHEDULE 3**  
**FORM OF EUROCLEAR/CLEARSTREAM, LUXEMBOURG CERTIFICATION**

**CHORUS LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**[currency][amount]**  
**[title of Notes] issued under**

**U.S.\$2,000,000,000**  
**Euro Medium Term Note Programme**

**guaranteed by**

**CHORUS NEW ZEALAND LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "**Member Organisations**") substantially to the effect set forth in the temporary global note issued in respect of the securities, as of the date hereof, [currency] [amount] principal amount of the above-captioned Securities (a) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (b) is owned by United States persons that (i) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("**financial institutions**") purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in clause (c) (whether or not also described in clause (a) or (b)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Rule 903(b)(3) of Regulation S under the Securities Act of 1933, as amended (the "**Act**"), then this is also to certify with respect to the principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion substantially to the effect set forth in the temporary global note issued in respect of the Securities.



**PART B**  
**FORM OF PERMANENT GLOBAL NOTE**

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

**CHORUS LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**U.S.\$2,000,000,000**  
**Euro Medium Term Note Programme**

**guaranteed by**

**CHORUS NEW ZEALAND LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**PERMANENT GLOBAL NOTE**

**1. INTRODUCTION**

**1.1 The Notes**

This Permanent Global Note is issued in respect of the notes (the "**Notes**") of Chorus Limited (the "**Issuer**") described in the pricing supplement (the "**Pricing Supplement**") a copy of which is annexed hereto. The Notes:

- 1.1.1 *Trust Deed*: are subject to, and have the benefit of, an amended and restated trust deed dated 10 April 2019 (as amended or supplemented from time to time, the "**Trust Deed**") made between the Issuer, Chorus New Zealand Limited (the "**Guarantor**") and The Law Debenture Trust Corporation p.l.c as trustee (the "**Trustee**", which expression includes all persons for the time being appointed trustee or trustees under the Trust Deed); and
- 1.1.2 *Agency Agreement*: are the subject of an amended and restated agency agreement dated 28 September 2016 (as amended or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, the Guarantor, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the other agents named therein (together with the Principal Paying Agent, the "**Agents**", which expression includes any successor or additional agents appointed from time to time in connection with the Notes) and the Trustee.

## 1.2 **Construction**

All references in this Permanent Global Note to an agreement, instrument or other document (including the Agency Agreement and the Trust Deed) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time *provided that*, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Permanent Global Note.

## 1.3 **References to Conditions**

Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Notes set out in Schedule 2 (*Terms and Conditions of the Notes*) hereto, as supplemented, amended and/or replaced by the Pricing Supplement, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Permanent Global Note.

## 2. **PROMISE TO PAY**

### 2.1 **Pay to bearer**

The Issuer, for value received, promises to pay to the bearer of this Permanent Global Note, in respect of each Note represented by this Permanent Global Note, the Redemption Amount on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions (or to pay such other amounts of principal on such dates as may be specified in the Pricing Supplement), and to pay interest on each such Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

### 2.2 **NGN Principal Amount**

If the Pricing Supplement specify that the New Global Note form is applicable, this Permanent Global Note shall be a "**New Global Note**" or "**NGN**" and the principal amount of Notes represented by this Permanent Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression in this Permanent Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Permanent Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Permanent Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

### 2.3 **CGN Principal Amount**

If the Pricing Supplement specifies that the New Global Note form is not applicable, this Permanent Global Note shall be a "**Classic Global Note**" or "**CGN**" and the principal amount of Notes represented by this Permanent Global Note shall be the amount stated in the Pricing Supplement or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in Schedule 1 (*Payments, Exchange and Cancellation of Notes*).

### 3. **NEGOTIABILITY**

This Permanent Global Note is negotiable and, accordingly, title to this Permanent Global Note shall pass by delivery.

### 4. **EXCHANGE**

This Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of this Permanent Global Note, for Definitive Notes (which expression has the meaning given in the Trust Deed) in accordance with the Agency Agreement:

4.1 *Upon notice:* on the expiry of such period of notice as may be specified in the Pricing Supplement; or

4.2 *Upon demand:* at any time, if so specified in the Pricing Supplement; or

4.3 *In limited circumstances:* if the Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

4.3.1 *Closure of clearing systems:* Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**", together with Euroclear, the international central securities depositaries or "**ICSDs**") or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

4.3.2 *Event of Default:* any of the circumstances described in Condition 14 (*Events of Default*) occurs.

### 5. **DELIVERY OF DEFINITIVE NOTES**

Whenever this Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by this Permanent Global Note to the bearer of this Permanent Global Note against the surrender of this Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.



## 6. **WRITING DOWN**

On each occasion on which:

6.1 *Payment of principal:* a payment of principal is made in respect of this Permanent Global Note;

6.2 *Definitive Notes:* Definitive Notes are delivered; or

6.3 *Cancellation:* Notes represented by this Permanent Global Note are to be cancelled in accordance with Condition 11(h) (*Redemption and Purchase - Cancellation*), the Issuer shall procure that:

6.3.1 if the Pricing Supplement specify that the New Global Note form is not applicable, (i) the amount of such payment and the aggregate principal amount of such Notes; and (ii) the remaining principal amount of Notes represented by this Permanent Global Note (which shall be the previous principal amount hereof *less* the aggregate of the amounts referred to in (i) above) are entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of Notes represented by this Permanent Global Note shall for all purposes be as most recently so entered; and

6.3.2 if the Pricing Supplement specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs.

## 7. **WRITING UP**

### 7.1 **Initial Exchange**

If this Permanent Global Note was originally issued in exchange for part only of a temporary global note representing the Notes, then all references in this Permanent Global Note to the principal amount of Notes represented by this Permanent Global Note shall be construed as references to the principal amount of Notes represented by the part of the temporary global note in exchange for which this Permanent Global Note was originally issued which the Issuer shall procure:

7.1.1 *CGN:* if the Pricing Supplement specify that the New Global Note form is not applicable, is entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of Notes represented by this Permanent Global Note shall for all purposes be as most recently so entered; and

7.1.2 *NGN:* if the Pricing Supplement specify that the New Global Note form is applicable, is entered by the ICSDs in their records.

### 7.2 **Subsequent Exchange**

If at any subsequent time any further portion of such temporary global note is exchanged for an interest in this Permanent Global Note, the principal amount of Notes represented by this Permanent Global Note shall be increased by the amount of such

further portion, and the Issuer shall procure that the principal amount of Notes represented by this Permanent Global Note (which shall be the previous principal amount of Notes represented by this Permanent Global Note *plus* the amount of such further portion) is:

7.2.1 *CGN*: if the Pricing Supplement specify that the New Global Note form is not applicable, entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of this Permanent Global Note shall for all purposes be as most recently so entered; and

7.2.2 *NGN*: if the Pricing Supplement specify that the New Global Note form is applicable, entered by the ICSDs in their records.

## 8. **PAYMENTS**

### 8.1 **Recording of Payments**

Upon any payment being made in respect of the Notes represented by this Permanent Global Note, the Issuer shall procure that:

8.1.1 *CGN*: if the Pricing Supplement specify that the New Global Note form is not applicable, details of such payment shall be entered in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Permanent Global Note shall be reduced by the principal amount so paid; and

8.1.2 *NGN*: if the Pricing Supplement specify that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Permanent Global Note shall be reduced by the principal amount so paid.

### 8.2 **Discharge of Issuer's obligations**

Payments due in respect of Notes for the time being represented by this Permanent Global Note shall be made to the bearer of this Permanent Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

### 8.3 **Payment Business Day**

If the currency of any payment made in respect of Notes represented by this Permanent Global Note is euro, the applicable Payment Business Day shall be any day which is a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments in each (if any) Additional Financial Centre; or, if the currency of any payment made in respect of the Notes represented by this Permanent Global Note is not euro, the applicable Payment Business Day shall be any day on which commercial banks and foreign exchange markets settle payments in the Principal Financial Centre for such currency.

9. **CONDITIONS APPLY**

Until this Permanent Global Note has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Permanent Global Note shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the Holder of Definitive Notes and any related Coupons and Talons in the smallest Specified Denomination and in an aggregate principal amount equal to the principal amount of Notes represented by this Permanent Global Note.

10. **EXERCISE OF PUT OPTION**

In order to exercise the option contained in Condition 11(e) (*Redemption and Purchase - Redemption at the option of Noteholders*) (the "**Put Option**"), the bearer of this Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and Put Option Notice (as such expression is defined in the Agency Agreement), give written notice of such exercise to the Principal Paying Agent or Transfer Agent (as applicable) specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

11. **EXERCISE OF CALL OPTION**

In connection with an exercise of the option contained in Condition 11(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) in relation to some only of the Notes, this Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

12. **NOTICES**

Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by this Permanent Global Note (or by this Permanent Global Note and a Temporary Global Note) and this Permanent Global Note is (or this Permanent Global Note and/or Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Trust Deed), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

13. **AUTHENTICATION**

This Permanent Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank, N.A., London Branch as principal paying agent.

14. **EFFECTUATION**

If the Pricing Supplement specifies that the New Global Note form is applicable, this Permanent Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

15. **GOVERNING LAW**

This Permanent Global Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

**AS WITNESS** the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

**CHORUS LIMITED**

By: ..... By: .....  
[*manual or facsimile signature*] [i>manual or facsimile signature]  
(*duly authorised*) (*duly authorised*)

**ISSUED** on the Issue Date

**AUTHENTICATED** for and on behalf of  
**CITIBANK, N.A., LONDON BRANCH** as principal paying agent without  
recourse, warranty or liability

By: .....  
[*manual signature*]  
(*duly authorised*)

**EFFECTUATED** for and on behalf of

By: .....  
as common safekeeper without  
recourse, warranty or liability

By: .....  
[*manual signature*]  
(*duly authorised*)



**SCHEDULE 2**  
**TERMS AND CONDITIONS OF THE NOTES**  
*[TO BE INSERTED]*

**PART C**  
**FORM OF REGISTERED GLOBAL NOTE**

**CHORUS LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**US\$2,000,000,000**

**Euro Medium Term Note Programme**

**guaranteed by**

**CHORUS NEW ZEALAND LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**1. INTRODUCTION**

**1.1 The Notes**

This Global Note Certificate is issued in respect of the notes (the "**Notes**") of Chorus Limited (the "**Issuer**") described in the pricing supplement (the "**Pricing Supplement**") a copy of which is annexed hereto. The Notes:

1.1.1 *Trust Deed:* are subject to, and have the benefit of, an amended and restated trust deed dated 10 April 2019 (as amended or supplemented from time to time, the "**Trust Deed**") made between the Issuer, Chorus New Zealand Limited (the "**Guarantor**") and The Law Debenture Trust Corporation plc as trustee (the "**Trustee**", which expression includes all persons for the time being appointed trustee or trustees under the Trust Deed); and

1.1.2 *Agency Agreement:* are the subject of an amended and restated agency agreement dated 28 September 2016 (as amended or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, the Guarantor, Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the Trustee, Citibank, N.A., London Branch as principal paying agent and the other agents named therein.

**1.2 Construction**

All references in this Registered Global Note to an agreement, instrument or other document (including the Agency Agreement and the Trust Deed) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time *provided that*, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made in accordance with the Conditions. Headings and sub-headings are



for ease of reference only and shall not affect the construction of this Registered Global Note.

### 1.3 **References to Conditions**

Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Notes set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto, as supplemented, amended and/or replaced by the Pricing Supplement, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Global Note Certificate.

## 2. **REGISTERED HOLDER**

This is to certify that:

*[Insert name of Common Depositary]*

is the person registered in the register maintained by the Registrar in relation to the Notes (the "**Register**") as the duly registered holder (the "**Holder**") of an aggregate principal amount of Notes equal to the Aggregate Nominal Amount specified in the Pricing Supplement or (if the Aggregate Nominal Amount in respect of the Series specified in the Pricing Supplement is different from the Aggregate Nominal Amount in respect of the Tranche specified in the Pricing Supplement) the Aggregate Nominal Amount in respect of the Tranche specified in the Pricing Supplement.

## 3. **PROMISE TO PAY**

The Issuer, for value received, promises to pay to the Holder, in respect of each Note represented by this Registered Global Note, the Redemption Amount on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions (or to pay such other amounts of principal on such dates as may be specified in the Pricing Supplement), and to pay interest on each such Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

## 4. **PAYMENT CONDITIONS**

4.1 *Payment Business Day:* If the currency of any payment made in respect of Notes represented by this Registered Global Note is euro, the applicable Payment Business Day shall be any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of any payment made in respect of Notes represented by this Registered Global Note is not euro, the applicable Payment Business Day shall be any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

4.2 *Payment Record Date:* Each payment made in respect of this Registered Global Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due

date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which this Global Note Certificate is being held is open for business.

## 5. **EXCHANGE FOR INDIVIDUAL NOTE CERTIFICATES**

This Registered Global Note will be exchanged in whole (but not in part) for duly authenticated and completed Definitive Registered Notes (which expression has the meaning given in the Trust Deed) in accordance with the Agency Agreement:

- 5.1 *Upon notice:* on the expiry of such period of notice as may be specified in the Pricing Supplement; or
- 5.2 *Upon demand:* at any time, if so specified in the Pricing Supplement; or
- 5.3 *In limited circumstances:* if the Pricing Supplement specifies "in the limited circumstances described in the Registered Global Note", then if either of the following events occurs:
  - 5.3.1 *Closure of clearing systems:* Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - 5.3.2 *Event of Default:* any of the circumstances described in Condition 14 (*Events of Default*) occurs.

## 6. **DELIVERY OF INDIVIDUAL NOTE CERTIFICATES**

Whenever this Registered Global Note is to be exchanged for Definitive Registered Notes, such Definitive Registered Notes shall be issued in an aggregate principal amount equal to the principal amount of this Registered Global Note within five business days of the delivery, by or on behalf of the Holder, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Definitive Registered Notes (including, without limitation, the names and addresses of the persons in whose names the Definitive Registered Notes are to be registered and the principal amount of each such person's holding) against the surrender of this Registered Global Note at the Specified Office of the Registrar. Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, "business day" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city in which the Registrar has its Specified Office.

## 7. **CONDITIONS APPLY**

Save as otherwise provided herein, the Holder of this Registered Global Note shall have the benefit of, and be subject to, the Conditions and, for the purposes of this Global

Note Certificate, any reference in the Conditions to "**Registered Note**" or "**Registered Notes**" shall, except where the context otherwise requires, be construed so as to include this Registered Global Note.

8. **EXERCISE OF PUT OPTION**

In order to exercise the option contained in Condition 11(e) (*Redemption and Purchase - Redemption at the option of Noteholders*) (the "**Put Option**"), the Holder must, within the period specified in the Conditions for the deposit of the relevant Note and Put Option Notice (as such expression is defined in the Agency Agreement), give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

9. **EXERCISE OF CALL OPTION**

In connection with an exercise of the option contained in Condition 11(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) in relation to some only of the Notes, the Notes represented by this Registered Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions.

10. **NOTICES**

Notwithstanding Condition 20 (*Notices*), so long as this Registered Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**"), notices to Holders of Notes represented by this Registered Global Note may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System.

11. **DETERMINATION OF ENTITLEMENT**

This Registered Global Note is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Registered Global Note.

12. **AUTHENTICATION**

This Registered Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank, N.A., London Branch as registrar.

13. **EFFECTUATION**

This Registered Global Note shall not be valid for any purpose until it has been effectuated for or on behalf of the entity appointed as common safekeeper by Euroclear or Clearstream, Luxembourg.

14. **GOVERNING LAW**

This Registered Global Note and any non-contractual obligations arising out of or in connection with it are governed by, and construed in accordance with English law.

**AS WITNESS** the manual or facsimile signature of a duly authorised person on behalf of the Issuer.

**CHORUS LIMITED**

By: .....  
[*manual or facsimile signature*]  
(*duly authorised*)

By: .....  
[*manual or facsimile signature*]  
(*duly authorised*)

**ISSUED** on [*issue date*]

**AUTHENTICATED for and on behalf of  
CITIBANK, N.A., LONDON BRANCH**  
as registrar without recourse, warranty  
or liability

By: .....  
[*manual signature*]  
(*duly authorised*)

**EFFECTUATED** for and on behalf of

By: .....  
as common safekeeper without  
recourse, warranty or liability

By: .....  
[*manual signature*]  
(*duly authorised*)

**FORM OF TRANSFER**

**FOR VALUE RECEIVED** ....., being the registered holder of this Registered Global Note, hereby transfers to.....  
.....  
.....of.....  
.....  
....., [currency] ..... in principal amount of the Notes and irrevocably requests and authorises Citibank, N.A., London Branch, in its capacity as registrar in relation to the Notes (or any successor to Citibank, N.A., London Branch, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated: .....

By: .....  
(duly authorised)

**Notes**

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Registered Global Note.

- (a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (c) Any transfer of Notes shall be in an amount equal to a Specified Denomination.

**SCHEDULE 1**  
**TERMS AND CONDITIONS OF THE NOTES**

*[To be inserted]*

**PART D**  
**FORM OF DEFINITIVE BEARER NOTE**

*[On the face of the Note:]*

*[currency][denomination]*

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

**CHORUS LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**U.S.\$2,000,000,000**  
**Euro Medium Term Note Programme**

**guaranteed by**

**CHORUS NEW ZEALAND LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

This Note is one of a series of notes (the "**Notes**") of Chorus Limited (the "**Issuer**") described in the pricing supplement (the "**Pricing Supplement**") a copy of the relevant particulars of which is endorsed on this Note. Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Notes endorsed on this Note, as supplemented, amended and/or replaced by the Pricing Supplement, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Note.

The Issuer, for value received, promises to pay to the bearer of this Note the Redemption Amount on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions (or to pay such other amounts of principal on such dates as may be specified in the Pricing Supplement), and to pay interest on this Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

This Note shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank, N.A., London Branch as principal paying agent.

This Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

**AS WITNESS** the facsimile signature of a duly authorised person on behalf of the Issuer.

**CHORUS LIMITED**

By: .....  
[*manual or facsimile signature*]  
(*duly authorised*)

By: .....  
[*manual or facsimile signature*]  
(*duly authorised*)

**ISSUED** on the Issue Date

**AUTHENTICATED** for and on behalf of  
**CITIBANK, N.A., LONDON BRANCH** as principal paying agent without  
recourse, warranty or liability

By: .....  
[*manual signature*]  
(*duly authorised*)



*[On the reverse of the Note:]*

**PRICING SUPPLEMENT**

The following is a copy of the relevant particulars of the Pricing Supplement.

**TERMS AND CONDITIONS**

*[As set out in the Information Memorandum]*

*[At the foot of the Terms and Conditions:]*

**PRINCIPAL PAYING AGENT**

**Citibank, N.A., London Branch  
C/o Ground Floor  
1 North Wall Quay  
Dublin 1  
Ireland**

**PAYING AGENTS**

**Citibank, N.A., London Branch**

*[to be confirmed if any other paying agents  
to be specified]*

**C/o Ground Floor  
1 North Wall Quay  
Dublin 1  
Ireland**

**PART E**  
**FORM OF DEFINITIVE REGISTERED NOTE**

*[On the face of the Note:]*

*[currency][denomination]*

**CHORUS LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**U.S.\$2,000,000,000**  
**Euro Medium Term Note Programme**

**guaranteed by**

**CHORUS NEW ZEALAND LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

This Note is one of a series of notes (the "**Notes**") of Chorus Limited (the "**Issuer**") described in the pricing supplement (the "**Pricing Supplement**") a copy of the relevant particulars of which is endorsed on this Note. Any reference herein to the "**Conditions**" is to the Terms and Conditions of the Notes endorsed on this Note, as supplemented, amended and/or replaced by the Pricing Supplement, and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Note.

THIS IS TO CERTIFY THAT \_\_\_\_\_ is/are the registered holder(s) of one of the above-mentioned Notes and is/are entitled on the Maturity Date or on such earlier date as this Note may become due and repayable in accordance with the Conditions, to the amount payable on redemption of this Note and to receive interest (if any) on the nominal amount of this Note calculated and payable as provided in the Conditions together with any other sums payable under the Conditions.

This Note shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank, N.A., London Branch as principal paying agent.

This Note and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

**AS WITNESS** the facsimile signature of a duly authorised person on behalf of the Issuer.

**CHORUS LIMITED**

By: .....  
[*manual or facsimile signature*]  
(*duly authorised*)

By: .....  
[*manual or facsimile signature*]  
(*duly authorised*)

**ISSUED** on the Issue Date

**AUTHENTICATED** for and on behalf of  
**CITIBANK, N.A., LONDON BRANCH** as principal paying agent without  
recourse, warranty or liability

By: .....  
    [*manual signature*]  
    (*duly authorised*)

*[On the reverse of the Note:]*

**PRICING SUPPLEMENT**

The following is a copy of the relevant particulars of the Pricing Supplement.

**TERMS AND CONDITIONS**

*[As set out in the Information Memorandum]*

*[At the foot of the Terms and Conditions:]*

**PRINCIPAL PAYING AGENT**

**Citibank, N.A., London Branch  
C/o Ground Floor  
1 North Wall Quay  
Dublin 1  
Ireland**

**PAYING AGENTS**

**Citibank, N.A., London Branch**

*[to be confirmed if any other paying agents  
to be specified]*

**C/o Ground Floor  
1 North Wall Quay  
Dublin 1  
Ireland**

**FORM OF TRANSFER**

**FOR VALUE RECEIVED** ....., being the registered holder of this Definitive Registered Note, hereby transfers to.....

.....  
.....of.....

.....

....., [*currency*] ..... in principal amount of the Notes and irrevocably requests and authorises Citibank, N.A., London Branch, in its capacity as registrar in relation to the Notes (or any successor to Citibank, N.A., London Branch, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated: .....

By: .....  
(*duly authorised*)

**Notes**

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Definitive Registered Note.

- (a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (c) Any transfer of Notes shall be in an amount equal to a Specified Denomination.

**PART F  
FORM OF RECEIPT**

**CHORUS LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**U.S.\$2,000,000,000  
Euro Medium Term Note Programme**

**guaranteed by**

**CHORUS NEW ZEALAND LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**Series No. [     ]**

Receipt for the sum of [     ] being the instalment of principal payable in accordance with the Terms and Conditions applicable to the Note to which this Receipt appertains (the **Conditions**) on [     ].

This Receipt is issued subject to and in accordance with the Conditions which shall be binding upon the holder of this Receipt (whether or not it is for the time being attached to such Note) and is payable at the specified office of any of the Paying Agents set out on the reverse of the Note to which this Receipt appertains (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Noteholders).

This Receipt must be presented for payment together with the Note to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Note to which it appertains or any unmatured Receipts.

**[ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.]<sup>3</sup>**

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<sup>3</sup> Delete where the original maturity of the Notes is 365 days or less.

**PART G  
FORM OF COUPON**

*[On the face of the Coupon:]*

**CHORUS LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**U.S.\$2,000,000,000**

**Euro Medium Term Note Programme**

**guaranteed by**

**CHORUS NEW ZEALAND LIMITED**

*(incorporated with limited liability under  
the laws of New Zealand)*

**Part A**

**[For Fixed Rate Notes:**

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Notes. Coupon for [        ] due on [        ], [        ]]

**Part B**

**[For Floating Rate Notes or Dual Currency Notes:**

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Notes on [the Interest Payment Date falling in [        ] [        ] / [        ]].

Such amount is payable, subject to the terms and conditions (the "**Conditions**") endorsed on the Note to which this Coupon relates (which are binding on the holder of this Coupon whether or not it is for the time being attached to such Note), against presentation and surrender of this Coupon at the specified office for the time being of any of the agents shown on the reverse of this Coupon (or any successor or additional agents appointed from time to time in accordance with the Conditions).



The Note to which this Coupon relates may, in certain circumstances specified in the Conditions, fall due for redemption before the maturity date of this Coupon. In such event, this Coupon shall become void and no payment will be made in respect hereof.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

*[On the reverse of the Coupon:]*

**Principal Paying Agent:** *[Citibank N.A., London Branch address].*

**Paying Agents:** *[Paying Agent, address];*

*[Paying Agent, address];* and

*[Paying Agent, address].*

**PART H**  
**FORM OF TALON**

*On the face of the Talon:]*

**CHORUS LIMITED**

**[currency][amount] Guaranteed Notes due [maturity]  
issued under U.S.\$2,000,000,000 Euro Medium Term Note Programme**

Talon for further Coupons.

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of the Coupon Sheet to which this Talon is (or was at the time of issue) attached, this Talon may be exchanged at the specified office for the time being of the principal paying agent shown on the reverse of this Talon (or any successor principal paying agent appointed from time to time in accordance with the terms and conditions (the "**Conditions**") of the Notes to which this Talon relates) for a further Coupon Sheet (including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to the Conditions).

The Note to which this Talon relates may, in certain circumstances specified in the Conditions, fall due for redemption before the maturity date of such final Coupon. In such event, this Talon shall become void and no Coupon will be delivered in respect hereof.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

*[On the reverse of the Talon:]*

**Principal Paying Agent:** *[Citibank, N.A., London Branch [•]].*

**PART I**  
**PROVISIONS FOR MEETINGS OF NOTEHOLDERS**

**1. Definitions**

In this Trust Deed and the Conditions, the following expressions have the following meanings:

In relation to Meetings of holders of Registered Notes and/or holders of Bearer Notes:

**"Chairman"** means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 8 (*Chairman*);

**"Extraordinary Resolution"** means a resolution passed at a Meeting duly convened and held in accordance with this Schedule by a majority of not less than three quarters of the votes cast;

**"Meeting"** means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

**"Relevant Fraction"** means:

- (a) for all business other than voting on an Extraordinary Resolution, one twentieth;
- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, one more than half; and
- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, two-thirds;

*provided, however, that*, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, the fraction of the aggregate principal amount of the outstanding Notes represented or held by the Voters actually present at the Meeting; and
- (ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one-third;

**"Reserved Matter"** means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, the

Guarantor or any other person or body corporate formed or to be formed (other than as permitted under Clause 8.3 of this Trust Deed);

- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to modify any provision of the guarantee of the Notes (other than as permitted under Clause 8.3 of this Trust Deed);
- (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (f) to amend this definition;

**"Voting Certificate"** means, in relation to any Meeting, a certificate in the English language issued by a Paying Agent and dated in which it is stated:

- (a) that the Deposited Notes have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
  - (b) the conclusion of the Meeting; and
  - (c) the surrender of such certificate to such Paying Agent; and
- (d) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Deposited Notes;

**"Written Resolution"** means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

**"24 hours"** means a period of 24 hours including all or part of a day (disregarding for this purpose the day upon which such Meeting is to be held) upon which banks are open for business in both the place where the relevant Meeting is to be held and in each of the places where the Paying Agents have their Specified Offices and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

**"48 hours"** means 2 consecutive periods of 24 hours.

In relation to Meetings of holders of Bearer Notes only:

**"Block Voting Instruction"** means, in relation to any Meeting, a document in the English language issued by a Paying Agent:

- (a) certifying that the Deposited Notes have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:

- (i) the conclusion of the Meeting; and
  - (ii) the surrender to such Paying Agent, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the Deposited Notes and notification thereof by such Paying Agent to the Issuer, the Guarantors and the Trustee; and
- (b) certifying that the depositor of each Deposited Note or a duly authorised person on its behalf has instructed the relevant Paying Agent that the votes attributable to such Deposited Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
  - (c) listing the total number and (if in definitive form) the certificate numbers of the Deposited Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
  - (d) authorising a named individual or individuals to vote in respect of the Deposited Notes in accordance with such instructions;

**"Deposited Notes"** means certain specified Notes which have been deposited with a Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system, for the purposes of a Block Voting Instruction or a Voting Certificate;

**"Proxy"**, in the case of Bearer Notes, means, in relation to any Meeting a person appointed to vote under a Block Voting Instruction other than:

- (a) any such person whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

**"relevant clearing system"** means Euroclear, Clearstream, Luxembourg or any other relevant clearing system;

**"Voter"** means, in relation to any Meeting, the bearer of a Voting Certificate, Proxy, the bearer of a definitive Note who produces such definitive Note at the Meeting;

In relation to any Meeting of the holders of Registered Notes only:

**"Block Voting Instruction"** means, in relation to any Meeting, a document in the English language issued by a Registrar:

- (a) certifying:
  - (i) that certain specified Registered Notes (each a **"Blocked Note"**) have been blocked in an account with a clearing system and will not be

released until the conclusion of the Meeting and that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the Registrar that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting; or

- (ii) that each registered holder of certain specified Registered Notes (each a "**Relevant Note**") or a duly authorised person on its behalf has instructed the Registrar that the votes attributable to each Relevant Note held by it are to be cast in a particular way on each resolution to be put to the Meeting; and

in each case that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

- (b) listing the total principal amount of the Blocked Notes and the Relevant Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (c) authorising a named individual or individuals to vote in respect of the Blocked Notes and the Relevant Notes in accordance with such instructions;

**"Form of Proxy"** means, in relation to any Meeting, a document in the English language available from the Registrar signed by a Noteholder or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and delivered to the Registrar not later than 48 hours before the time fixed for such Meeting, appointing a named individual or individuals to vote in respect of the Registered Notes held by such Noteholder;

**"Proxy"**, in the case of Registered Notes means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction or a Form of Proxy other than:

- (a) any such person whose appointment has been revoked and in relation to whom the Registrar has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed; and

**"Voter"** means, in relation to any Meeting, (a) a Proxy or (b) (subject to paragraph 5 (*Record Date in respect of Registered Notes*) below) a Noteholder; **provided, however, that** (subject to paragraph 5 (*Record Date in respect of Registered Notes*) below) any Noteholder which has appointed a Proxy under a Block Voting Instruction or Form of Proxy shall not be a "**Voter**" except to the extent that such appointment has been revoked and the Registrar notified in writing of such revocation at least 48 hours before the time fixed for such Meeting.

## 2. **Issue of Voting Certificates, Block Voting Instructions and Forms of Proxy**

The holder of a Bearer Note may obtain a Voting Certificate from any Paying Agent or require any Paying Agent to issue a Block Voting Instruction by depositing such Bearer Note with such Paying Agent or arranging for such Bearer Note to be (to its satisfaction)

held to its order or under its control or blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. A Voting Certificate or Block Voting Instruction shall be valid until the release of the Deposited Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Bearer Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

### **Registered Notes**

The holder of a Registered Note may require the Registrar to issue a Block Voting Instruction by arranging (to the satisfaction of the Registrar) for such Registered Note to be blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. The holder of a Registered Note may require the Registrar to issue a Block Voting Instruction by delivering to the Registrar written instructions not later than 48 hours before the time fixed for the relevant Meeting. Any holder of a Note may obtain an uncompleted and unexecuted Form of Proxy from the Registrar. A Block Voting Instruction and a Form of Proxy cannot be outstanding simultaneously in respect of the same Registered Note.

## **3. References to deposit/release or blocking/release of Notes**

### **3.1 Bearer Notes**

Where Bearer Notes are represented by a Global Note or are held in definitive form within a clearing system, references to the deposit, or release, of Bearer Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

### **3.2 Registered Notes**

Where Registered Notes are represented by a Registered Global Note or are held in definitive form within a clearing system, references to the blocking, or release, of Registered Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

## **4. Validity of Block Voting Instructions**

### **4.1 Bearer Notes**

A Block Voting Instruction in relation to Bearer Notes shall be valid only if it is deposited at the Specified Office of the relevant Paying Agent or at some other place approved by the Trustee, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Trustee requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Trustee shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

### **4.2 Registered Notes**

Block Voting Instructions in relation to Registered Notes and Forms of Proxy shall be valid only if deposited at the specified office of the Registrar or at some other place approved by the Trustee, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Trustee requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Trustee shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

**5. Record date in respect of Registered Notes**

The Issuer may fix a record date for the purposes of any Meeting or any resumption thereof following its adjournment for want of a quorum *provided that* such record date is not more than 10 days prior to the time fixed for such Meeting or (as the case may be) its resumption. The person in whose name a Registered Note is registered in the Register on the record date at close of business in the city in which the Registrar has its Specified Office shall be deemed to be the holder of such Note for the purposes of such Meeting and notwithstanding any subsequent transfer of such Note or entries in the Register.

**6. Convening of Meeting**

The Issuer and the Guarantors (acting together) or the Trustee may convene a Meeting at any time, and the Trustee shall be obliged to do so subject to its being indemnified and/or secured and/or prefunded to its satisfaction upon the request in writing of Noteholders holding not less than one twentieth of the aggregate principal amount of the outstanding Notes. Every Meeting shall be held on a date, and at a time and place, approved by the Trustee.

**7. Notice**

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Paying Agents in relation to Bearer Notes, and the Registrar, in relation to Registered Notes (with a copy to the Issuer and the Guarantors) where the Meeting is convened by the Trustee or, where the Meeting is convened by the Issuer and the Guarantors, the Trustee in relation to Bearer Notes, and the Registrar, in relation to Registered Notes.

**7.1 Cancellation of Meeting**

A meeting that has been validly convened in accordance with paragraph 6 above, may be cancelled by the person who convened such meeting by giving at least 5 days' notice (exclusive of the day on which the notice is given or deemed to be given and of the day of the meeting) to the Noteholders (with a copy to the Trustee where such meeting was convened by the Issuer or to the Issuer where such meeting was convened by the Trustee). Any meeting cancelled in accordance with this paragraph 6 shall be deemed not to have been convened.

**7.2 In relation to Bearer Notes**



The notice shall set out the full text of any resolutions to be proposed unless the Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text and shall state that the Bearer Notes may be deposited with, or to the order of, any Paying Agent for the purpose of obtaining Voting Certificates or appointing Proxies not later than 48 hours before the time fixed for the Meeting; or

### 7.3 **In relation to Registered Notes**

The notice shall set out the full text of any resolutions to be proposed unless the Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text and shall state that Registered Notes may be blocked in clearing systems for the purposes of appointing Proxies under Block Voting Instructions until 48 hours before the time fixed for the Meeting and a Noteholder may appoint a Proxy either under a Block Voting Instruction by delivering written instructions to the Registrar or by executing and delivering a Form of Proxy to the Specified Office of the Registrar, in either case until 48 hours before the time fixed for the Meeting.

### 8. **Chairman**

An individual (who may, but need not, be a Noteholder) nominated in writing by the Trustee may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

### 9. **Quorum**

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Notes; *provided, however, that*, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Notes is represented by in the case of the Bearer Notes, the Global Note, or, in the case of Registered Notes, the Registered Global Note or a single Definitive Registered Note a Voter appointed in relation thereto or being the holder of the Notes represented thereby shall be deemed to be two Voters for the purpose of forming a quorum.

### 10. **Adjournment for want of quorum**

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

10.1 in the case of a Meeting requested by Noteholders, it shall be dissolved; and

10.2 in the case of any other Meeting (unless the Issuer, the Guarantor and the Trustee otherwise agree), it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines (with the approval of the Trustee); *provided, however, that*:

10.2.1 the Meeting shall be dissolved if the Issuer, the Guarantors and the Trustee together so decide; and

10.2.2 no Meeting may be adjourned more than once for want of a quorum.

11. **Adjourned Meeting**

The Chairman may, with the consent of, and shall if directed by, any Meeting adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

12. **Notice following adjournment**

Paragraph 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

- 12.1 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- 12.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

13. **Participation**

The following may attend and speak at a Meeting:

- 13.1 Voters;
- 13.2 representatives of the Issuer, the Guarantors and the Trustee;
- 13.3 the financial advisers of the Issuer, the Guarantors and the Trustee;
- 13.4 the legal counsel to the Issuer, the Guarantors and the Trustee and such advisers;
- 13.5 any other person approved by the Meeting or the Trustee; and
- 13.6 in relation to Registered Notes, the Registrar, or in relation to Bearer Notes the Principal Paying Agent.

14. **Show of hands**

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Where there is only one Voter, this paragraph shall not apply and the resolution will immediately be decided by means of a poll.

15. **Poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Guarantor, the Trustee or one or more Voters representing or holding not less than one

fiftieth of the aggregate principal amount of the outstanding Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

## 16. **Votes**

Every Voter shall have:

- 16.1 on a show of hands, one vote; and
- 16.2 on a poll, the number of votes obtained by dividing the aggregate principal amount of the outstanding Note(s) represented or held by him by the unit of currency in which the Notes are denominated.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Block Voting Instruction or Form of Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way.

In the case of any Meeting of holders of more than one Series of Notes where not all such Series are in the same currency, the principal amount of such Notes shall for all purposes in this Part I (whether *inter alia* in respect of the Meeting or any poll resulting therefrom), be the equivalent in U.S. dollars translated at the spot rate of a bank nominated by the Trustee for the sale of the relevant currency or currencies for U.S. dollars on the seventh dealing day prior to such Meeting, or in the case of a written request pursuant to paragraph 6, the date of such request. In such circumstances, on any poll each person present shall have one vote for each Unit of Notes (converted as above) which he holds.

In this paragraph, a "**Unit**" means the lowest denomination of the Notes as stated in the Applicable Supplement or in the case of a meeting of Noteholders of more than one Series, shall be the lowest common denominator of the lowest denomination of the Notes.

## 17. **Validity of Votes by Proxies**

- 17.1 Any vote by a Proxy in accordance with the relevant Block Voting Instruction in relation to either Bearer or Registered Notes or Form of Proxy in relation to Registered Notes shall be valid even if such Block Voting Instruction or Form of Proxy or any instruction pursuant to which it was given has been amended or revoked, *provided that* neither the Issuer, the Guarantors, the Trustee nor the Chairman has been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting; or
- 17.2 Unless revoked, any appointment of a Proxy under a Block Voting Instruction or Form of Proxy, in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; *provided, however, that* no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed.

Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction (or, in relation to Registered Notes, Form of Proxy to vote at the Meeting when it is resumed).

## 18. **Powers**

A Meeting shall have power (exercisable only by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- 18.1 to approve any Reserved Matter;
- 18.2 to approve any proposal by the Issuer and the Guarantors (acting together) for any modification, abrogation, variation or compromise of any provisions of this Trust Deed or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- 18.3 to approve any proposal by the Guarantors for any modification of any provision of the Guarantee of the Notes or any arrangement in respect of the obligations of the Guarantors thereunder;
- 18.4 (other than as permitted under Clause 8.3 of this Trust Deed) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes or the substitution of any person for a Guarantor as guarantor under the Guarantee of the Notes;
- 18.5 to waive any breach or authorise any proposed breach by the Issuer or a Guarantor of its obligations under or in respect of this Trust Deed or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
- 18.6 to remove any Trustee;
- 18.7 to approve the appointment of a new Trustee;
- 18.8 to authorise the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- 18.9 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Notes;
- 18.10 to give any other authorisation or approval which under this Trust Deed or the Notes is required to be given by Extraordinary Resolution; and
- 18.11 to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

## 19. **Electronic communication**

Subject to the following sentence, a Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders.

For so long as the Notes are in the form of a Global Note held on behalf of, or a Global Registered Note registered in the name of any nominee for, one or more relevant clearing system, then, in respect of any resolution proposed by the Issuer, the Guarantors or the Trustee:

## 19.1 Electronic Consent

Where the terms of the resolution proposed by the Issuer, the Guarantors or the Trustee (as the case may be) have been notified to the Noteholders through the relevant clearing system(s) as provided in sub-paragraphs (i) and/or (ii) below, each of the Issuer, the Guarantor and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with their operating rules and procedures by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting (the "**Required Proportion**") ("**Electronic Consent**") by close of business on the Relevant Date. Any resolution passed in such manner shall be binding on all Noteholders and, in relation to Bearer Notes, Couponholders, even if the relevant consent or instruction proves to be defective. None of the Issuer, the Guarantors or the Trustee shall be liable or responsible to anyone for such reliance.

19.1.1 When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

(a) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to "Relevant Date" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer, the Guarantors or the Trustee which is not then the subject of a meeting that has been validly convened in accordance

with paragraph 6 above, unless that meeting is or shall be cancelled or dissolved;  
and

## 19.2 **Written Resolution**

Where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer, the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantors and/or the Trustee, as the case may be, (a) by accountholders in the clearing system(s) with entitlements to such Global Note or Global Certificate and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantors and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant clearing system and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and, in relation to Bearer Notes, Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer, the Guarantors nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders and holders of Coupons, Talons and Receipts, whether or not they participated in such Written Resolution and/or Electronic Consent.

## 20. **Extraordinary Resolution binds all holders**

An Extraordinary Resolution shall be binding upon all Noteholders and, in relation to Bearer Notes, Receiptholders, Couponholders, whether or not present at such Meeting or otherwise participating in the passing thereof, and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders and, in relation to Bearer Notes, to the Paying Agents and, in relation to Registered Notes, the Registrar (with a copy to the Issuer, the Guarantors and the Trustee) within 14 days of the conclusion of the Meeting (or, if passed by Written Resolution or Electronic Consent, from the effective passing thereof) but failure to do so shall not invalidate the Extraordinary Resolution.

## 21. **Minutes**

Minutes of all resolutions and proceedings at each Meeting shall be made. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

22. **Written Resolution**

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

23. **Further regulations**

Subject to all other provisions contained in this Trust Deed, the Trustee may without the consent of the Issuer, the Guarantors or the Noteholders prescribe such further regulations regarding the holding of Meetings of Noteholders and attendance and voting at them as the Trustee may in its sole discretion determine.

24. **Several Series**

The following provisions shall apply where outstanding Notes belong to more than one Series:

- 24.1 Business which in the opinion of the Trustee affects the Notes of only one Series shall be transacted at a separate Meeting of the holders of the Notes of that Series.
- 24.2 Business which in the opinion of the Trustee affects the Notes of more than one Series but does not give rise to an actual or potential conflict of interest between the holder of Notes or one such Series and the holders of Notes of any other such Series shall be transacted either at separate Meetings of the holders of the Notes of each such Series or at a single Meeting of the holders of the Notes of all such Series, as the Trustee shall in its absolute discretion determine.
- 24.3 Business which in the opinion of the Trustee affects the Notes of more than one Series and gives rise to an actual or potential conflict of interest between the holders of Notes of one such Series and the holders of Notes of any other such Series shall be transacted at separate Meetings of the holders of the Notes of each such Series.
- 24.4 The preceding paragraphs of this Part I shall be applied as if references to the Notes and Noteholders were to the Notes of the relevant Series and to the holders of such Notes.
- 24.5 In this paragraph, "**business**" includes (without limitation) the passing or rejection of any resolution.

**SCHEDULE 3**  
**FORM OF SUPPLEMENTAL DEED INTRODUCING A NEW GUARANTOR**

**THIS SUPPLEMENTAL DEED** is made this [ ] day of [ ], 20[ ]

**BY:**

1. [ ] **LIMITED**, a duly incorporated company, having its registered office at [ ] (the "**New Guarantor**"); and
2. **CHORUS LIMITED**, a company incorporated under the laws of New Zealand, having its registered office at Level 2, Telecom Place, 167 Victoria Street West, Auckland, New Zealand.
3. **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated under the laws of England, acting pursuant to the Trust Deed and in accordance with the provisions and with the benefits of the protection set out therein, whose registered office is at Fifth Floor, 100 Wood Street, London E2V 7EX, England (the "**Trustee**").

**WHEREAS:**

- (A) This Supplemental Deed is supplemental to the amended and restated trust deed dated 10 April 2019 made between Chorus Limited (the "**Issuer**"), Chorus New Zealand Limited (the "**Original Guarantor**") and the Trustee (such trust deed, as from time to time modified or supplemented in accordance with its terms, being referred to herein as the "**Trust Deed**").
- (B) The New Guarantor is a Subsidiary of the Issuer.
- (C) At the request of the Issuer, the New Guarantor wishes to execute this Supplemental Deed (being a deed supplemental to the Trust Deed) in order to become a Guaranteeing Subsidiary as defined in the Trust Deed and pursuant to provisions therein contained.

**NOW THEREFORE THIS SUPPLEMENTAL DEED WITNESSES** as follows:

1. **Definitions and Interpretations**

Unless otherwise defined in this Supplemental Deed, or the context otherwise requires, the definitions and provisions contained in Clause 1 (*Definitions and Interpretation*) of the Trust Deed shall apply to and be incorporated in this Supplemental Deed.

2. **Acknowledgement By Subsidiary**

The Subsidiary hereby appoints the Trustee (and the Trustee hereby accepts appointment) on the same terms as set out in the Trust Deed and the Subsidiary acknowledges that Notes have been and will henceforth be taken up by the Noteholders on the condition and in part consideration that the Subsidiary will give or has given to the Trustee the guarantee hereinafter contained by way of security for the obligations constituted by the Trust Deed or intended so to be.

3. **Guarantee**



The Subsidiary hereby unconditionally and irrevocably guarantees to the Trustee the due and punctual payment of all sums expressed to be payable by the Issuer under or pursuant to the Trust Deed and the Schedules or in respect of the Notes, the Receipts or the Coupons, as and when the same shall become due and payable, whether at maturity, upon early redemption, upon acceleration or otherwise in accordance with the terms of the Trust Deed and the Notes, Receipts and Coupons.

In case of the failure of the Issuer to pay any such sum as and when the same shall become due and payable, the New Guarantor hereby agrees to cause such payment to be made as and when the same becomes due and payable, whether at maturity, upon early redemption, upon acceleration or otherwise, as if such payment were made by the Issuer.

#### 4. **Incorporation of Terms**

It is declared that there shall be deemed to be incorporated in this Supplemental Deed all the covenants, undertakings, powers, obligations and other provisions of the Trust Deed and the Schedules thereto relating to or affecting the Guarantors in the same manner and to the same extent as if the same had been *mutatis mutandis* set out in full in this Supplemental Deed and made applicable to the New Guarantor, and the New Guarantor accordingly covenants, jointly and severally with each other Guarantor, in favour of the Trustee to duly perform and observe and be bound by the said covenants, undertakings, powers, obligations and other provisions imposed on or relating to or affecting it by or under this Supplemental Deed or the Trust Deed or by any Conditions.

#### 5. **Governing Law**

This Supplemental Deed and any non-contractual obligations arising out of or in connection with it is governed by, and shall be construed in accordance with, the laws of England.

#### 6. **Jurisdiction**

6.1 The courts of England shall have exclusive jurisdiction to settle any dispute ("**Dispute**") arising out of or in connection with this Supplemental Deed (including a dispute relating to the existence, validity or termination of this Supplemental Deed or any non-contractual obligation arising out of or in connection with them) or the consequences of their nullity.

6.2 The Subsidiary agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to [*name of process agent*] at [*address of registered office of process agent*] or, if different, its registered office for the time being. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantors, the Issuer and the Guarantors (acting together) shall, on the written demand of the Trustee addressed to the Issuer and the Guarantors and delivered to the Issuer and the Guarantors appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantors and delivered to the Issuer and the Guarantors. Nothing in this paragraph shall affect the right of the Trustee or any of the Noteholders to serve process in any

other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

- 6.3 The New Guarantor agrees that the courts referred to in Clause 15.2 (*English courts*) of the Trust Deed are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.
- 6.4 Clause 6.3 above is for the benefit of the Trustee and the Noteholders only. As a result, nothing in this Clause 6.4 prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.
- 6.5 In case any provision in or obligation under this Supplemental Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.
- 6.6 No person shall have any right to enforce any provision of this Supplemental Deed under the Contracts (Rights of Third Parties) Act 1999.

IN WITNESS whereof this Supplemental Deed has been executed in [ ] as a deed by the parties hereto the day and year first above written.

EXECUTED as a deed )  
by [ ] **LIMITED** acting by )  
its authorised persons )  
in the presence of: )

EXECUTED as a deed )  
by **CHORUS LIMITED** )  
acting by its attorney: )  
in the presence of: )

THE COMMON SEAL of )  
**THE LAW DEBENTURE TRUST** )  
**CORPORATION p.l.c.** )  
was affixed to this deed in the presence of: )

.....

Director

.....

Authorised Signatory

**SCHEDULE 4**  
**FORM OF SUPPLEMENTAL DEED RELEASING A GUARANTOR**

**THIS SUPPLEMENTAL DEED** is made this [ ] day of [ ], 20[ ]

**BY:**

1. [ ] **LIMITED**, a duly incorporated company, having its registered office at [ ] (the "**Retiring Guaranteeing Subsidiary**"); and
2. **CHORUS LIMITED**, a company incorporated under the laws of New Zealand, whose registered office is Level 2, Telecom Place, 167 Victoria Street West, Auckland 1142, New Zealand.
3. **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated under the laws of England, acting pursuant to the Trust Deed and in accordance with the provisions and with the benefit of the protections set out therein, whose registered office is at Fifth Floor, 100 Wood Street, London E2V 7EX, England (the "**Trustee**").

**WHEREAS:**

- (A) This Supplemental Deed is supplemental to the amended and restated trust deed dated 10 April 2019 made between Chorus Limited (the "**Issuer**"), Chorus New Zealand Limited (the "**Original Guarantor**") and the Trustee (such trust deed, as from time to time modified or supplemented in accordance with its terms, being referred to herein as the "**Trust Deed**").
- (B) The Issuer delivered to the Trustee on [ ], 20[ ] (the "**Effective Date**") a certificate pursuant to clause 5.11 of the Trust Deed which had the effect of releasing the Retiring Guaranteeing Subsidiary from its guarantees and covenants under the Trust Deed and has requested that the Trustee shall forthwith confirm the said release of the Retiring Guaranteeing Subsidiary from the said guarantee and covenants under the Trust Deed.

**NOW THEREFORE THIS SUPPLEMENTAL DEED WITNESSES** as follows:

1. Unless otherwise defined in this Supplement Deed, or the context otherwise requires, the definitions and provisions contained in Clause 1 of the Trust Deed shall apply to and be incorporated in this Supplemental Deed.
2. At the request of the Issuer the Trustee hereby confirms that the Retiring Guaranteeing Subsidiary was released from its guarantee and covenants under the Trust Deed on the Effective Date.
3. The release of the Retiring Guaranteeing Subsidiary shall not affect the guarantees and covenants of each of the other Guarantors pursuant to the Trust Deed.
4. This Supplemental Deed is governed by, and shall be construed in accordance with, the laws of England.

IN WITNESS whereof this Supplemental Deed has been executed in [ ] as a deed  
by the parties hereto the day and year first above written.

EXECUTED as a deed )  
by [ ] **Limited** acting by )  
its authorised persons )  
in the presence of: )

EXECUTED as a deed )  
by **CHORUS LIMITED** )  
acting by its attorney: )  
in the presence of: )


THE COMMON SEAL of )  
**THE LAW DEBENTURE TRUST** )  
**CORPORATION p.l.c.** )  
was affixed to this deed in the presence of: )

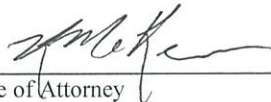
.....  
Director

.....  
Authorised Signatory

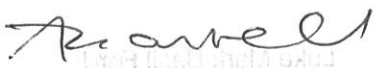
EXECUTION CLAUSES

**SIGNED** on behalf of **CHORUS LIMITED** by:

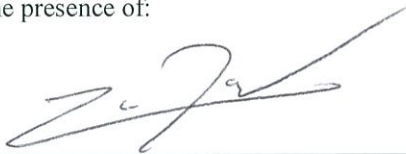
  
\_\_\_\_\_  
Signature of Attorney  
Andrew Hopkinson  
\_\_\_\_\_  
Name of Attorney

  
\_\_\_\_\_  
Signature of Attorney  
KATHRYN MCKENZIE  
\_\_\_\_\_  
Name of Attorney

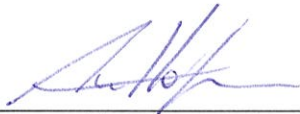
in the presence of:

  
\_\_\_\_\_  
Signature of witness  
Name: ALIESIA GARTRELL  
Occupation: SOLICITOR  
Address: 1 WILLIS STREET  
WELLINGTON.

in the presence of:

  
\_\_\_\_\_  
Signature of witness  
Name: **Luke Mark Basil Ford**  
Occupation: **Solicitor**  
Address: **Auckland**

**SIGNED** on behalf of **CHORUS NEW ZEALAND LIMITED** by:



Signature of Attorney

Andrew Hopkinson

Name of Attorney

in the presence of:



Signature of witness

Name: **ALIESIA GARTRELL**

Occupation: **SOLICITOR**

Address: **1 WILLIS STREET  
WELLINGTON.**

10/10/20  
Lashburn



Signature of Attorney

KATHRYN MCKENZIE

Name of Attorney

in the presence of:



Signature of witness

Name:

Occupation:

Address:

**Luke Mark Basil Ford  
Solicitor  
Auckland**

**THE COMMON SEAL of THE LAW  
DEBENTURE TRUST  
CORPORATION PLC:**

was affixed hereinto in the presence  
of:



A handwritten signature in black ink, appearing to be 'MWD', written above a horizontal line.

Authorised signatory

A handwritten signature in black ink, appearing to be 'R. D.', written above a horizontal line.

Director



Pricing Supplement dated 3 December 2019

Chorus Limited

Issue of EUR 300,000,000 0.875 per cent. Notes due 5 December 2026

Guaranteed by Chorus New Zealand Limited

under the U.S.\$2,000,000,000

Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Information Memorandum dated 10 April 2019. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Information Memorandum.

Full information on the Issuer, the Original Guarantor and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum. The Information Memorandum is available for viewing at Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and copies may be obtained from the registered office of the Issuer being Level 10, 1 Willis Street, Wellington 6011, New Zealand. The Information Memorandum and, in the case of Notes listed on the Australian Securities Exchange, the applicable Pricing Supplement, will be made available through the Australian Securities Exchange.

**MIFID II 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 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. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**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 and (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling 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.

**SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), 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 Securities and Futures (Capital Markets Products) Regulations 2018).

- |    |      |            |                            |
|----|------|------------|----------------------------|
| 1. | (i)  | Issuer:    | Chorus Limited             |
|    | (ii) | Guarantor: | Chorus New Zealand Limited |

2. (i) Series Number: 3
- (ii) Tranche Number: 1
3. Specified Currency or Euro ("EUR")  
Currencies:
4. Aggregate Nominal Amount:
  - (i) Series: EUR 300,000,000
  - (ii) Tranche: EUR 300,000,000
5. Issue Price: 99.353 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to EUR 199,000.  
No Notes in definitive form will be issued with a denomination above EUR 199,000.
- (ii) Calculation Amount: EUR 1,000
7. (i) Issue Date: 5 December 2019
- (ii) Interest Commencement Date: 5 December 2019
8. Maturity Date: 5 December 2026
9. Interest Basis: 0.875 per cent. Fixed Rate  
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: Coupon Step-up or Coupon Step-down in the event of Ratings Downgrade (further particulars specified below)
12. Put/Call Options: Issuer Call (further particulars specified below)
13. (i) Status of the Notes: Senior
- (ii) Status of the Guarantee: Senior
- (iii) Date of Board approval for issuance of Notes and Guarantee obtained: 25 November 2019
14. Method of distribution: Syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions** Applicable
  - (i) Initial Rate of Interest: 0.875 per cent. per annum payable annually in arrear
  - (ii) Interest Payment Date(s): 5 December in each year commencing on (and including) 5 December 2020 up to and including the Maturity Date, not adjusted

- |        |  |                      |   |
|--------|--|----------------------|---|
| (iii)  | Business<br>Convention:  | Day                  | No Adjustment   |
| (iv)   | Additional<br>Centre(s):   | Business             | Not Applicable  |
| (v)    | Fixed Coupon Amount:   |                      | EUR 8.75 per Calculation Amount for any Interest Period in respect of which the Initial Rate of Interest applies. The Fixed Coupon Amount payable for any Interest Period following any Step-up Rating Change will be modified in accordance with Condition 7(e) ( <i>Step-up rate of interest</i> ). |
| (vi)   | Broken Amount(s):  |                      | Not Applicable  |
| (vii)  | Day Count Fraction:  |                      | Actual/Actual (ICMA)  |
| (viii) | Other terms relating to the method of calculating interest for Fixed Rate Notes: |                      | Not Applicable  |
| (ix)   | Ratings<br>Coupon<br>(Condition 7(e))  | Downgrade<br>Step-Up | Applicable  |
| (x)    | Ratings<br>Step-up Margin  | Downgrade            | 1.25 per cent. per annum  |
| (xi)   | Minimum<br>Coupon<br>(Condition 7(f))  | Volume /<br>Step-up  | Not Applicable  |
| 16.    | <b>Floating Rate Provisions</b>  | <b>Note</b>          | Not Applicable  |
| 17.    | <b>Zero Coupon Provisions</b>  | <b>Note</b>          | Not Applicable  |
| 18.    | <b>Variable-linked interest Provisions</b>                                       | <b>Note</b>          | Not Applicable  |
| 19.    | <b>Dual Currency Provisions</b>  | <b>Note</b>          | Not Applicable  |

#### PROVISIONS RELATING TO REDEMPTION

- |      |   |            |  |
|------|---|------------|--|
| 20.  | Call Option   |            | Applicable (in whole only, not in part)  |
| (i)  | Optional<br>Date(s):  | Redemption | Any time   |
| (ii) | Optional<br>Amount(s) of each<br>Note and method, if<br>any, of calculation of<br>such amount(s): | Redemption | An amount equal to the product of the outstanding principal amount of the Notes to be redeemed and the higher of:<br>(i) par (100 per cent.); and<br>(ii) the price (as determined by the Calculation Agent and expressed as a percentage and rounded up to four decimal places) at which the Gross Redemption Yield on the Notes (if the Notes were to remain outstanding to their original maturity) on the Reference Date would be equal to the sum of the Gross Redemption Yield on the Reference Date |

of the Reference Bond and the Make-Whole Margin.

The Optional Redemption Amount plus accrued interest to the Optional Redemption Date shall be payable in accordance with Condition 11(c) (*Redemption at the option of the Issuer*).

**"Calculation Agent"** means Citigroup Global Markets Limited or any other independent financial adviser as may be appointed by the Issuer and notified to the Trustee;

**"Gross Redemption Yield"** means, with respect to the Notes and the Reference Bond, the yield expressed as a percentage and calculated in accordance with customary practice in pricing new issues of comparable debt securities paying interest on an annual basis;

**"Reference Bond"** means Deutsche Bund Rate 0.00 per cent. due August 2026;

**"Reference Date"** means the date three Business Days prior to the Optional Redemption Date; and

**"Make-Whole Margin"** means 0.25 per cent.

- (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: Not Applicable
    - (b) Maximum Redemption Amount: Not Applicable
  - (iv) Notice period: Not less than 30 nor more than 60 days' notice, per Condition 11(c) (*Redemption at the option of the Issuer*)
21. Put Option: Not Applicable
22. Final Redemption Amount of each Note: EUR 1,000 per Calculation Amount
23. Early Redemption Amount: EUR 1,000 per Calculation Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Bearer Notes:  
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for

- Definitive Notes in the limited circumstances specified in the Permanent Global Note
25. New Global Note No
26. Intended to be held in a manner which would allow Eurosystem eligibility No
27. Additional Financial Centre(s) or other special provisions relating to payment dates: Wellington, Auckland, London
28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made: Not Applicable
30. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
31. Consolidation provisions: The provisions in Condition 19 (*Further Issues*) apply
32. Other terms or special conditions: Not applicable

#### DISTRIBUTION

33. (i) If syndicated, names and addresses of Dealers and underwriting commitments: **Citigroup Global Markets Limited**  
Citigroup Centre, Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom
- HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom
- MUFG Securities Asia Limited**  
11/F, AIA Central  
1 Connaught Road Central  
Hong Kong
- (ii) Date of Subscription Agreement: 3 December 2019
- (iii) Stabilising Manager(s) (if any): Citigroup Global Markets Limited
34. If non-syndicated, name and address of Dealer: Not Applicable

35. Total commission and concession: 0.350 per cent. of the Aggregate Nominal Amount
36. U.S. Selling Restrictions: Regulation S, Compliance Category 2; TEFRA D
37. Additional selling restrictions: As specified in Annexure A to this Pricing Supplement.

**LISTING AND ADMISSION TO TRADING** Australia

38. Listing and admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Australian Securities Exchange with quotation effective on or about three business days following the Issue Date.
39. Estimate of total expenses related to admission to trading: A fee of A\$5,000 (plus Goods and Services Tax, if any) is payable for quotation of the Notes on the Australian Securities Exchange.

**OPERATIONAL INFORMATION**

40. ISIN Code: XS2084759757
41. Common Code: 208475975
42. Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. the relevant identification number(s): Not Applicable
43. Delivery: Delivery against payment
44. Names and addresses of initial Paying Agent(s): Citibank, N.A., London Branch  
c/o Citibank, N.A., Dublin Branch  
Ground Floor  
1 North Wall Quay  
Dublin 1  
Ireland
45. Names and addresses of additional Paying Agent(s) (if any): Not Applicable

**GENERAL**

46. Private Bank Rebate/Commission: Not Applicable
47. For the purpose of the conversion rate for programme limit purposes, the Aggregate principal amount of the Notes issued has been translated into United States dollars at the rate of EUR 1 = U.S.\$ 1.1009, producing a sum of: U.S.\$ 330,270,000

48. Ratings:

The Notes to be issued are expected to be rated Baa2 by Moody's Investors Service Pty Limited ("**Moody's**") and BBB by S&P Global Ratings Australia Pty Ltd ("**Standard & Poor's**").

Moody's and Standard & Poor's are not established in the European Union and have not applied for registration under Regulation (EC) No. 1060/2009. The ratings have been endorsed by Moody's Investors Service Limited and Standard & Poor's Credit Market Services Limited respectively in accordance with Regulation (EC) No. 1060/2009. Each of Moody's Investors Service Limited and Standard & Poor's is established in the European union and registered under Regulation (EC) No. 1060/2009.

### **USE OF PROCEEDS**

The net proceeds from the issue of the Notes will be used for the general corporate purposes of the Issuer and the Guarantor.

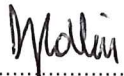
### **STABILISING**

In connection with this issue, Citigroup Global Markets Limited (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions, to the extent permitted by applicable laws, regulations and rules, and other than in the circumstances where such action would reasonably be expected to affect the price of the Notes traded within Australia or New Zealand or on a "financial market", as defined in the Australian Corporations Act, operated within Australia and with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilising Manager (or persons acting on behalf of a Stabilising Manager) to do this. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made. Such stabilising if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

### **RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Chorus Limited:

By:  .....  
Duly authorised

By:  .....  
Duly authorised

Signed on behalf of Chorus New Zealand Limited:

By:  .....  
Duly authorised

By:  .....  
Duly authorised



## ANNEXURE A

### European Economic Area

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Information Memorandum as completed by this Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- a) the expression "retail investor" means a person who is one (or more) of the following:
  - i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Information Memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**") and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and/or Italian CONSOB regulations; or
- b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Information Memorandum or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

- i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and
- ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Any investor purchasing the Notes in this offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in this offering occurs in compliance with applicable laws and regulations.

The Information Memorandum and the information contained therein and herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in the Republic of Italy for any reason. No person resident or located in the Republic of Italy other than the original recipients of the Information Memorandum or this document may rely on it or its contents.

### Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Information Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the Joint Lead Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.