



Chorus Limited  
Level 10, 1 Willis Street  
P O Box 632  
Wellington  
New Zealand

Email: [company.secretary@chorus.co.nz](mailto:company.secretary@chorus.co.nz)

## **STOCK EXCHANGE ANNOUNCEMENT**

7 April 2021

### **Notification of issue of CIP securities**

Chorus Limited has issued further Crown Infrastructure Partners (CIP) securities as per the attached notice.

Authorised by:

Elaine Campbell  
General Counsel and Company Secretary

**ENDS**

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| Section 1: Issuer information                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| Name of issuer                                                                                                                                                                                                                                                                                                   | Chorus Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| NZX ticker code                                                                                                                                                                                                                                                                                                  | CNU                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Class of financial product                                                                                                                                                                                                                                                                                       | CIP2 Equity Securities (unquoted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| ISIN (If unknown, check on NZX website)                                                                                                                                                                                                                                                                          | N/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Currency                                                                                                                                                                                                                                                                                                         | NZD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Section 2: Capital change details                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Number issued/acquired/redeemed                                                                                                                                                                                                                                                                                  | 11,373,280                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Nominal value (if any)                                                                                                                                                                                                                                                                                           | N/a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Issue/acquisition/redemption price per security                                                                                                                                                                                                                                                                  | NZ\$1.000000 per CIP2 Equity Security.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Nature of the payment (for example, cash or other consideration)                                                                                                                                                                                                                                                 | Cash.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Amount paid up (if not in full)                                                                                                                                                                                                                                                                                  | N/a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) <sup>1</sup>                                                                                                                 | 5.27%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date) | <p>CIP2 Equity Securities are redeemable preference shares carrying no right to vote at meetings of holders of ordinary Chorus shares, but entitle the holder to a right to a repayment preference on liquidation. Dividends will become payable on the CIP2 Equity Securities from 2036.</p> <p>Chorus may redeem CIP2 Equity Securities at any time:</p> <ul style="list-style-type: none"> <li>by cash payment of the total issue price of CIP2 Equity Securities to be redeemed; or</li> </ul> |

<sup>1</sup> The percentage is to be calculated immediately before the issue, acquisition, redemption or Conversion.

|                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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|                                                                                                                                                  | <ul style="list-style-type: none"> <li>by the issue of ordinary Chorus shares of a value equal to the total issue price of the CIP2 Equity Securities to be redeemed (with those ordinary Chorus shares valued at a 5% discount to the 20-day VWAP for Chorus shares traded in ordinary trading on NZX).</li> </ul> <p>In the event that the Network Infrastructure Project Agreement dated 26 January 2017 (<b>NIPA2</b>) between Chorus and Crown Infrastructure Partners Limited (<b>CIP</b>) is terminated, either for a material breach by Chorus, a serious health and safety event, or for a challenge by Chorus to the enforceability of liquidated damages, service default payments or material breach liquidated damages under NIPA2, or in the event that the Chorus Board resolves to pay a dividend on the CIP2 Equity Securities but that dividend is not paid, a holder of CIP2 Equity Securities can elect to:</p> <ul style="list-style-type: none"> <li>continue to hold the CIP2 Equity Securities;</li> <li>exchange the CIP2 Equity Securities for voting preference shares; or</li> <li>exchange the CIP2 Equity Securities for ordinary Chorus shares of a value equal to the lesser of the “fair value” and the issue price of the CIP2 Equity Securities (with those ordinary Chorus shares valued at a 5% discount to the 20-day VWAP for ordinary Chorus shares traded in ordinary trading on NZX).</li> </ul> <p>CIP or a Crown Entity (who has executed the applicable accession documentation) can also elect one of the options above in relation to the CIP2 Equity Securities it holds if a prescribed insolvency event occurs in relation to Chorus.</p> <p>Further information regarding the terms of the CIP2 Equity Securities is set out in the Summary of CIP2 Securities which is available at <a href="https://company.chorus.co.nz/reports">https://company.chorus.co.nz/reports</a>.</p> |
| Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here) | <p>The funds are to be used by Chorus in the construction of the Ultra-Fast Broadband network in New Zealand.</p> <p>The CIP2 Equity Securities have been issued pursuant to:</p> <ul style="list-style-type: none"> <li>the terms of the subscription agreement between Chorus and CIP dated 26 January 2017 as amended from time to time (<b>UFB2 Subscription Agreement</b>);</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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|                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>a call notice issued by Chorus to CIP on 31 March 2021 pursuant to the terms of the UFB2 Subscription Agreement; and</li> <li>a Chorus Board resolution passed on 24 August 2018.</li> </ul>                                                                      |
| Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption. | <p>227,386,568 CIP2 Equity Securities (unquoted).</p> <p>No CIP2 Equity Securities are held as treasury stock.</p>                                                                                                                                                                                       |
| In the case of an acquisition of shares, whether those shares are to be held as treasury stock                                                                                                                                                      | N/a.                                                                                                                                                                                                                                                                                                     |
| Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made                                                                                     | <p>Board resolution passed on 24 August 2018.</p> <p>The CIP2 Equity Securities have been issued under listing rule 4.5.</p>                                                                                                                                                                             |
| Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)                                                                                                                                          | The terms of issue are as set out in the UFB2 Subscription Agreement. Further information regarding the terms of the CIP2 Equity Securities is set out in the summary of CIP2 Securities which is available at <a href="https://company.chorus.co.nz/reports">https://company.chorus.co.nz/reports</a> . |
| Date of issue/acquisition/redemption <sup>2</sup>                                                                                                                                                                                                   | 6 April 2021                                                                                                                                                                                                                                                                                             |
| <b>Section 3: Authority for this announcement and contact person</b>                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                          |
| Name of person authorised to make this announcement                                                                                                                                                                                                 | Elaine Campbell<br>General Counsel & Company Secretary                                                                                                                                                                                                                                                   |
| Contact person for this announcement                                                                                                                                                                                                                | Brett Jackson<br>Investor Relations Manager                                                                                                                                                                                                                                                              |
| Contact phone number                                                                                                                                                                                                                                | +64 4 896 4039<br>+64 27 488 7808                                                                                                                                                                                                                                                                        |
| Contact email address                                                                                                                                                                                                                               | Brett.Jackson@chorus.co.nz                                                                                                                                                                                                                                                                               |
| Date of release through MAP                                                                                                                                                                                                                         | 7 April 2021                                                                                                                                                                                                                                                                                             |

<sup>2</sup> Continuous issuers using this form in reliance on Rule 3.13.2, please indicate the period during which the relevant issue/acquisition/redemptions were made (for example, 1 January 2019 to 31 January 2019).