

STOCK EXCHANGE ANNOUNCEMENT

4 February 2022

Chorus confirms new service company agreements

Chorus has today announced that it has signed new agreements for the build, maintenance and connection to its copper and fibre network from April 2022 for a minimum of three years.

The new agreements are with existing service providers, Downer and UCG. Ventia, previously operating as Broadspectrum and Visionstream, remains responsible for the contract to complete the remaining fibre rollout to about 40,000 premises and will also complete the West Coast and Southland fibre network extensions and other projects.

Chorus GM Customer & Network Operations, Andrew Carroll said the agreements provide a platform for the ongoing simplification of Chorus' business as it transitions from building the fibre network and connecting customers, to operating and maintaining essential broadband infrastructure.

"The consolidation of areas and activity under the new agreements is intended to ensure our service company partners can operate sustainably while also enhancing the experience for customers as they connect to the network or have faults repaired", said Mr Carroll.

Chorus continues to see strong demand for fibre in its UFB areas. More than two-thirds of customers have now connected to fibre in areas where it is available.

"With the large Ultra-Fast Broadband build programmes coming to an end, and new fibre installation volumes expected to slow, we worked closely with our service companies to create a framework that appropriately balances customer experience, cost and industry sustainability."

The Downer contract is for three years for all services. UCG's contract is for seven years for all services in Auckland, Northland and the Waikato and three years for fibre connect elsewhere in the country. The cost of the new agreements is in line with Chorus' business plan.

The agreements incorporate the worker welfare requirements of Chorus' supplier code of practice and Chorus will work closely with all service companies over the next few months to facilitate a smooth transition to the new agreements.

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ENDS

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