



Contact Energy Limited Retail Green Bond Offer

Joint Lead Managers:



Investor presentation

27 September 2022



Disclaimer and important information

Important Notice

This presentation has been prepared by Contact Energy Limited (Issuer) in relation to the offer of unsecured, unsubordinated, fixed rate, green bonds (Green Bonds) (Offer) made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (FMCA).

The Offer is an offer of debt securities that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as the Issuer's:

- NZ\$100,000,000 unsecured, unsubordinated, fixed rate, green bonds (which have a fixed interest rate of 4.63% per annum) maturing on 15 November 2022, which are currently quoted on the NZX Debt Market under the ticker code CEN040 (CEN040 Bonds); and
- NZ\$100,000,000 unsecured, unsubordinated, fixed rate, green bonds (which have a fixed interest rate of 3.55% per annum) maturing on 15 August 2024, which are currently quoted on the NZX Debt Market under ticker code CEN050 (CEN050 Bonds).

The Green Bonds are of the same class as the CEN040 Bonds and CEN050 Bonds (together, the Existing Bonds) for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

The Issuer is also subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (NZX) for the purposes of that information being made available to participants in the market and that information can be found at www.nzx.com/companies/CEN

The Existing Bonds are the only debt securities of the Issuer that are currently quoted and in the same class as the Green Bonds.

Investors should look to the market price of the Existing Bonds to find out how the market assesses the returns and risk premium for those bonds. When comparing the yield of two debt securities, it is important to consider all relevant factors (including credit rating, maturity and other terms of the relevant debt securities).

Disclaimer

To the extent permitted by law, none of the Issuer, Bank of New Zealand (the Arranger), ANZ Bank New Zealand Limited, Bank of New Zealand, Craigs Investment Partners Limited and Forsyth Barr Limited (together, the Joint Lead Managers), The New Zealand Guardian Trust Company Limited (the Supervisor), nor any of their respective directors, officers, employees,

affiliates or agents (a) accept any responsibility or liability whatsoever for any loss arising from this presentation or its contents, or otherwise arising in connection with the Offer or any person's investment in these Green Bonds, and other than the Issuer, (b) authorised or caused the issue of, or made any statement in, any part of this presentation, (c) make any representation, recommendation or warranty, express or implied, regarding the origin, validity, accuracy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this presentation, or (d) accept any responsibility or obligation in relation to any matter arising or coming to their attention after the date of this presentation which may affect any matter referred to in this presentation.

This presentation contains certain 'forward-looking statements' such as indication of, and guidance on, future earnings and financial position and performance. Such projections and forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Issuer and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Past performance information provided in this presentation is not indicative of future performance and no guarantee of future returns is implied or given.

Investments in the Green Bonds are an investment in the Issuer and may be affected by the on-going performance, financial position and solvency of the Issuer.

This presentation is for preliminary information purposes only and is not an offer to sell or the solicitation of an offer to purchase or subscribe for the Green Bonds and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

The information in this presentation is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

Application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the date of distribution of the Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this presentation. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.

Contact Presenters



Matthew Forbes
Acting Chief Financial Officer



Will Thomson
Corporate Treasurer

Agenda

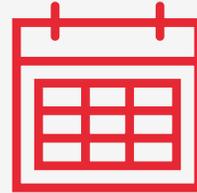
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Offer Highlights



\$200m

Issuance with up to \$50m
oversubscriptions



5.5 year

Tenor maturing
11 April 2028



Senior Debt

Sits above capital bonds and equity



Fixed

Interest rate for duration
of bond for bond holders



Green

Certified with the CBI under Contact's
Green Borrowing Programme to
finance renewable generation



BBB

Issue Credit Rating with
S&P

Introduction to Contact



Presented by

Matthew Forbes

Acting Chief Financial Officer



Electricity Market Overview

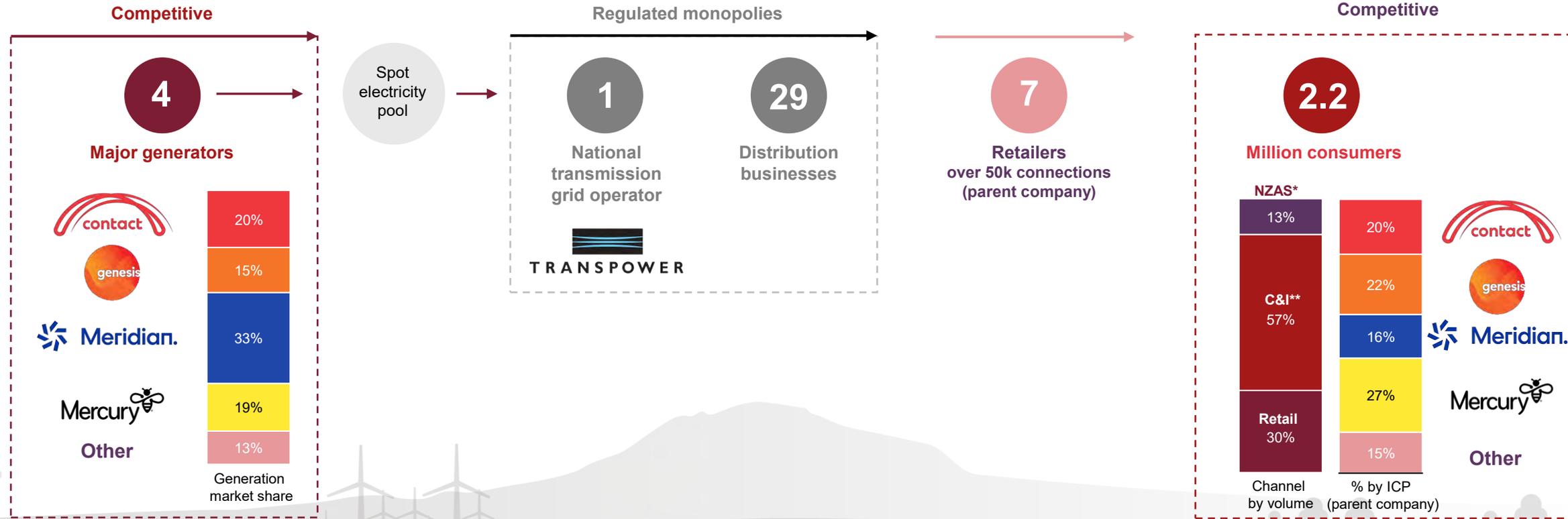


Contact Energy Strategy



Financial Performance Update

New Zealand enjoys a reliable, affordable and environmentally sustainable electricity system¹



Source: Forsyth Barr Power Points, Aug 2021 - July 2022

Source: EMI, Jun 2021-May 2022

*New Zealand Aluminium Smelter

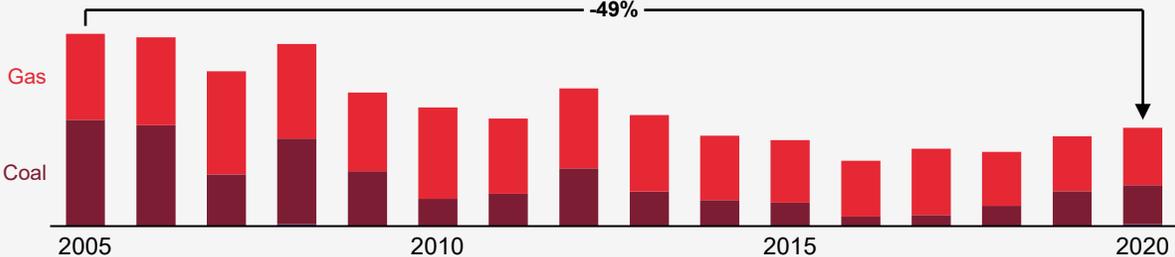
**Commercial & Industrial

¹According to the International Energy Agency (IEA) 2017 assessment

New Zealand's electricity supply is highly renewable

Contact has played a leading role by developing geothermal resources and reducing thermal generation

Electricity generation carbon emissions (units of CO2e)



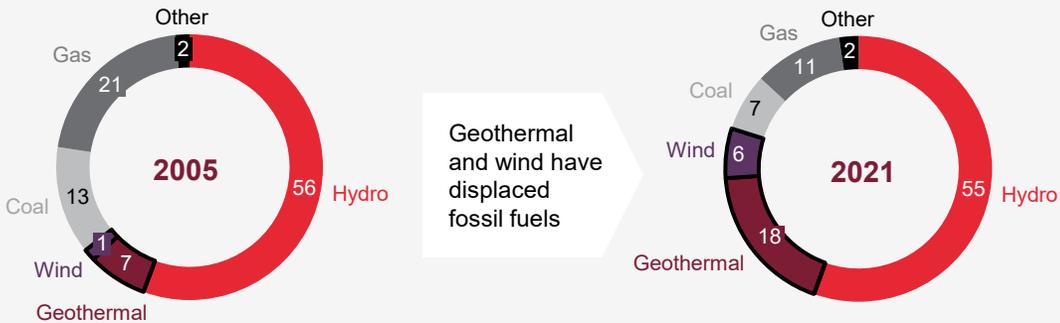
Source: MBIE

Current national quarterly supply and demand (TWh)

Measured at the station grid entry point



Electricity generation mix comparison 2005 and 2021 (%)



Source: MBIE

5TWh per annum

Flexible thermal production is required to complement

3TWh per annum

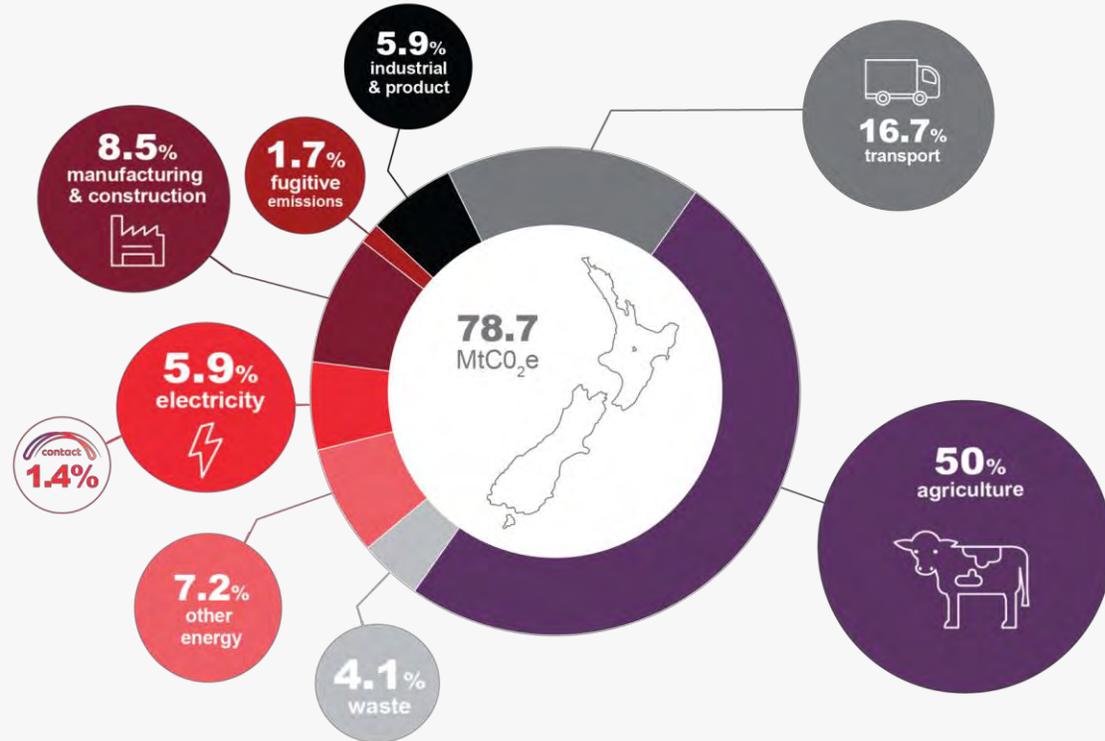
of seasonal renewables firming

*Source: NZX hydro, mean inflows 1926 to 2021
 ** Source: MBIE quarterly electricity generation and consumption 2015 to 2021

Carbon Reduction Opportunity

With high renewable penetration, electricity is the solution to reducing carbon emissions, not the problem

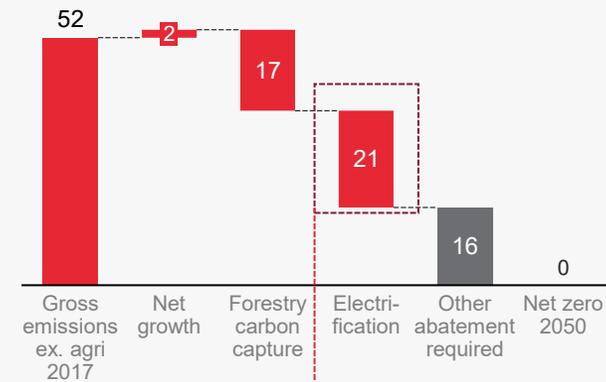
Greenhouse gas emissions by sector



Meaningful reductions in carbon emissions are possible with renewable electricity displacing carbon intensive fuels

Sources: New Zealand's Greenhouse Gas Inventory 1990-2020 snapshot, 2022 Inventory, Te Rārangī Haurehu Kati Mahana a Aotearoa 1990-2020 - He Whakarāpopoto New Zealand and Whakamana i Te Mauri Hiko - Empowering our Energy Future, March 2020, Climate change commission 2021 final advice

Paris agreement target, Mt CO₂e

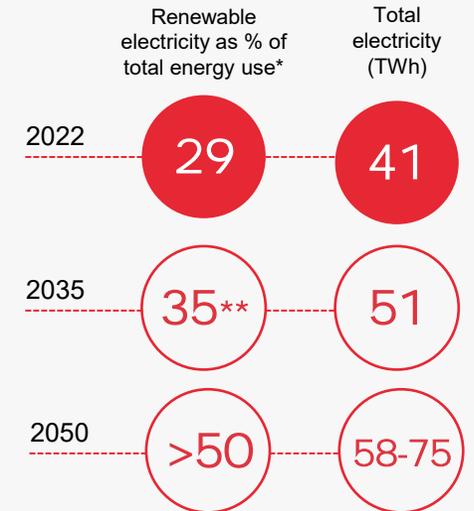


To meet this annual emissions reduction, Transpower estimates 70% more renewable generation is required to electrify heat and decarbonise transportation. This amounts to ~23TWh p.a

This is the equivalent investment of around \$690m every year for 27.5 years*

* Based on the cost of the Meridian Harapaki wind farm as per August 2022 NZX announcement (\$448m, 542GWh p.a.)

Our future energy profile



* Based on Consumer Energy use rather than Primary Energy use
 ** Government emissions reductions plan, released subsequently targets 50% renewable electricity of total usage

Our strategy to lead New Zealand's decarbonisation



Strategic theme

Grow demand

Objective

Attract new industrial demand with globally competitive renewables



Grow renewable development

Build renewable generation and flexibility on the back of new demand



Decarbonise our portfolio

Lead an orderly transition to renewables



Create outstanding customer experiences

Create NZ's leading energy and services brand to meet more of our customers' needs

Enablers

ESG: create long-term value through our strong performance across a broad set of environmental, social and governance factors

Operational excellence: continuously improving our operations through innovation and digitisation

Transformative ways of working: create a flexible and high-performing environment for New Zealand's top talent

Outcomes

Growth
Pivot our business to a new growth era that captures the value unlocked by decarbonisation

Resilience
Deliver sustainable shareholder returns, aligned with our ESG commitment

Performance
Realise a step-change in performance, materially growing EBITDAF through strategic investments

Contact believes it is well positioned to enable **New Zealand's decarbonisation**



1/ Distinctive capabilities

- Deep understanding of energy applications
- Unique in-house geothermal capability
- Wind capability
- Solar joint venture

2/ New Zealand's best renewable development pipeline



Geothermal +2.9TWh p.a
 Under development +1.8TWh p.a
 Medium-term target – +1.1TWh p.a (net)



Wind
 Land access agreements signed



Solar target 200MW
 Initial target



3/ Leading New Zealand's thermal generation transition

We have led the economic substitution of almost 3 TWh of thermal generation over the last 15 years (twice as much as all of our peers combined), while developing advanced trading capabilities and systems to manage changes to our commodity risk position

Low-cost, innovative operations

We have a track record of sustainably reducing costs across the business, with low cost geothermal and retail cost-to-serve when benchmarked



Largest New Zealand electricity brand

Contact is New Zealand's largest electricity brand, catering to changing customer needs with a great customer experience



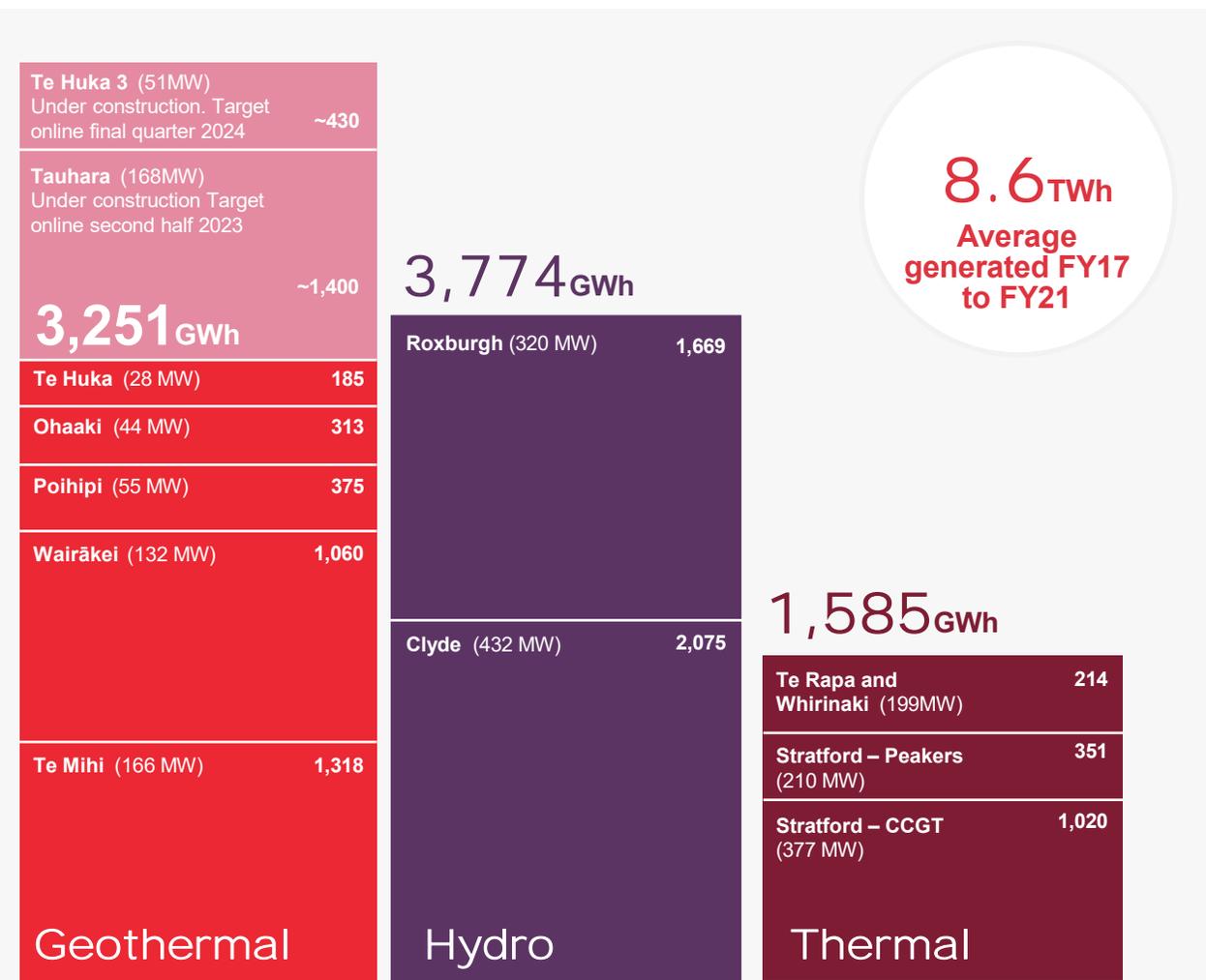
Future-focused capabilities

Our capabilities will support our growth with major projects, business development and digital and analytics skills recently added

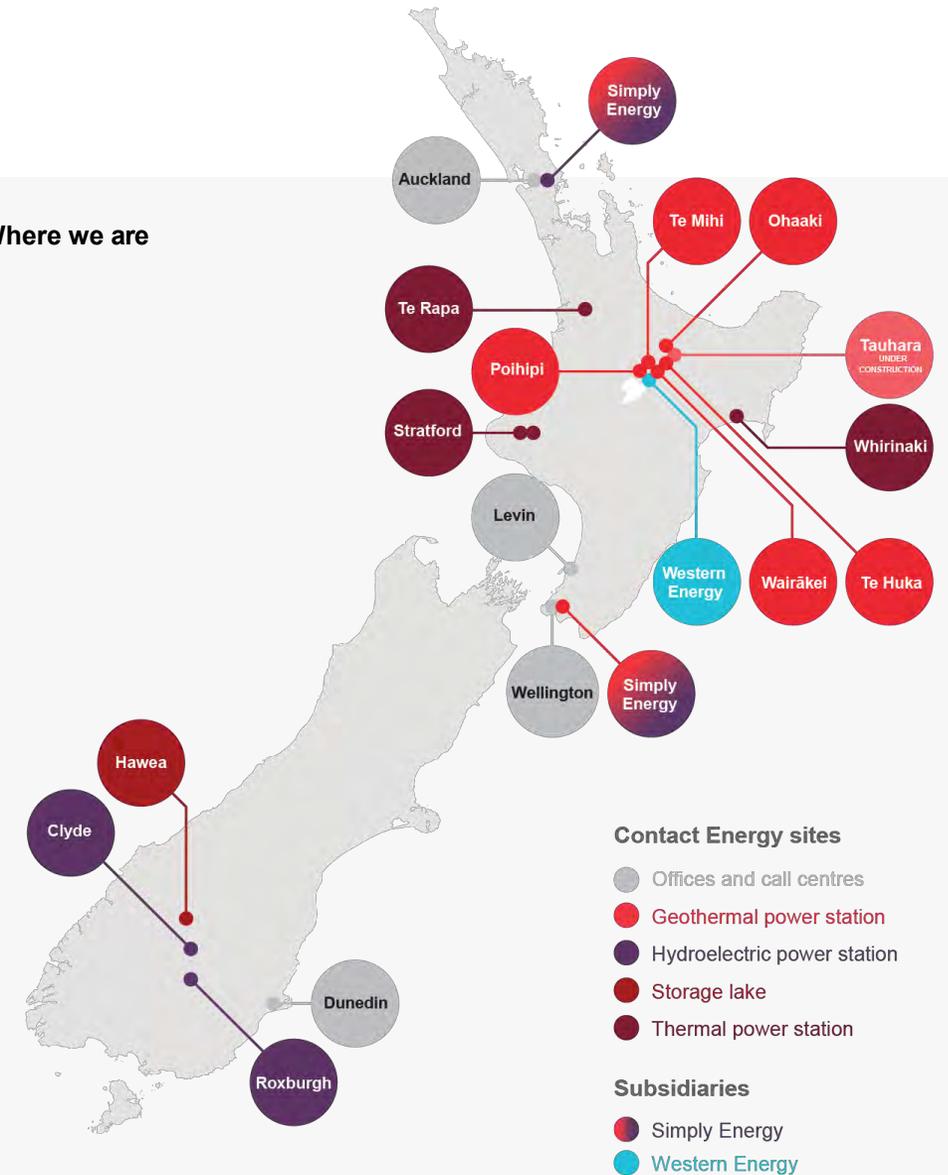


Our Assets

2017 - 2021 generation by station and type (five-year average)



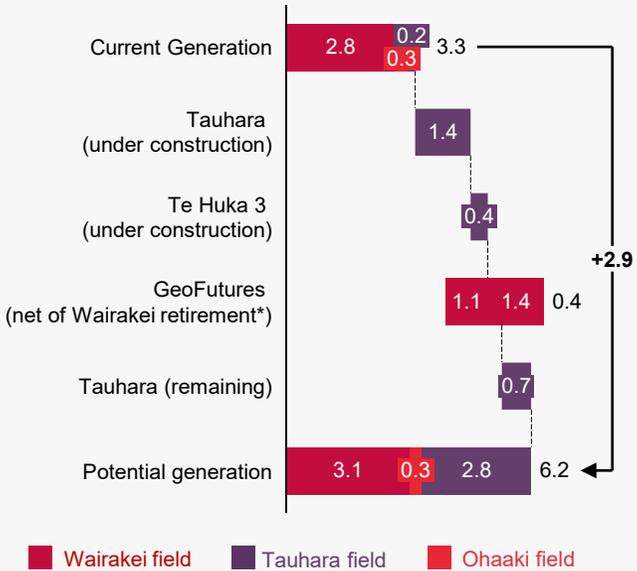
Where we are



Market Leading Geothermal Development Pipeline

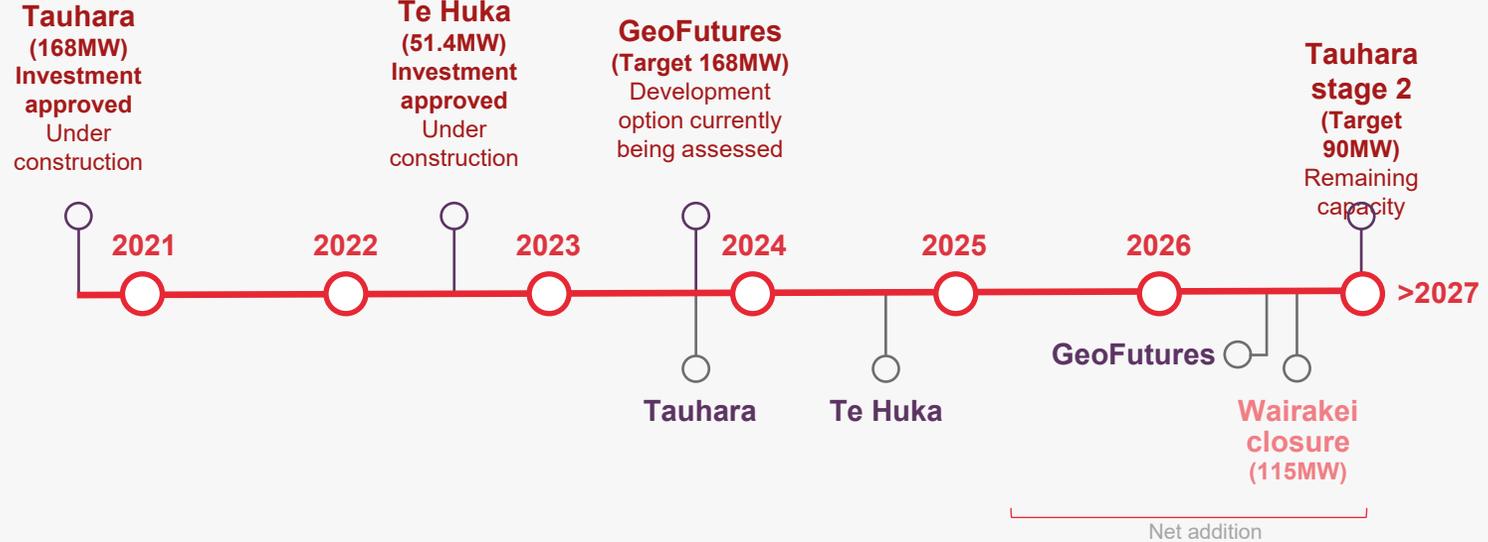
In line with core markets and capability

Geothermal generation potential (TWh p.a)



Geothermal field responses to extraction and injection will determine the ultimate geothermal generation potential beyond current consents

Potential geothermal development projects



Target generation impact

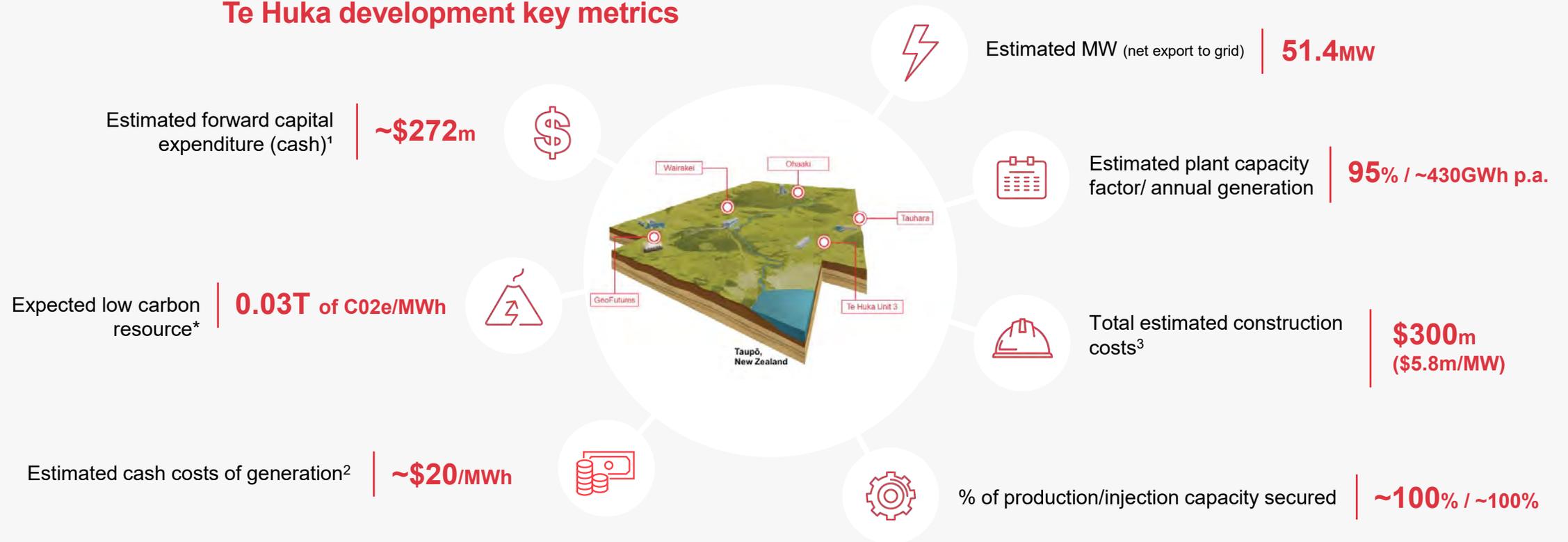
*Expected enthalpy decline at Wairakei is expected to be offset through continuous improvement projects. Generation from the Wairakei field is dependant on the extension of the consents to continue to operate on the Wairakei geothermal field beyond 2026 from the relevant consenting authorities. This consenting process is underway.

All development options remain subject to Board investment decisions and are subject to market conditions

Te Huka Investment

Contact is investing to deliver renewable energy

Te Huka development key metrics



* (Gas CCGT ~15x more, Gas Peaker ~18x more)

¹ Excluding capitalised interest as at 30 June 2022.

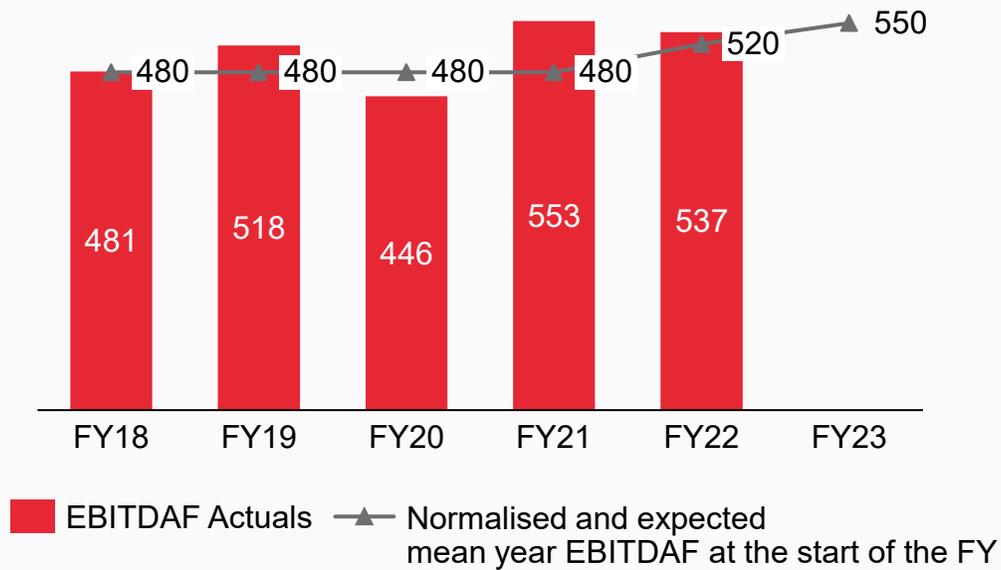
² Includes operating costs, carbon costs and stay-in-business capex (excluding make-up drilling and major mid-life capex replacement).

³ Excludes finance leases and capitalized interest (estimated ~\$13m). \$28m of project costs spent by 30 June 2022.

Financial Performance

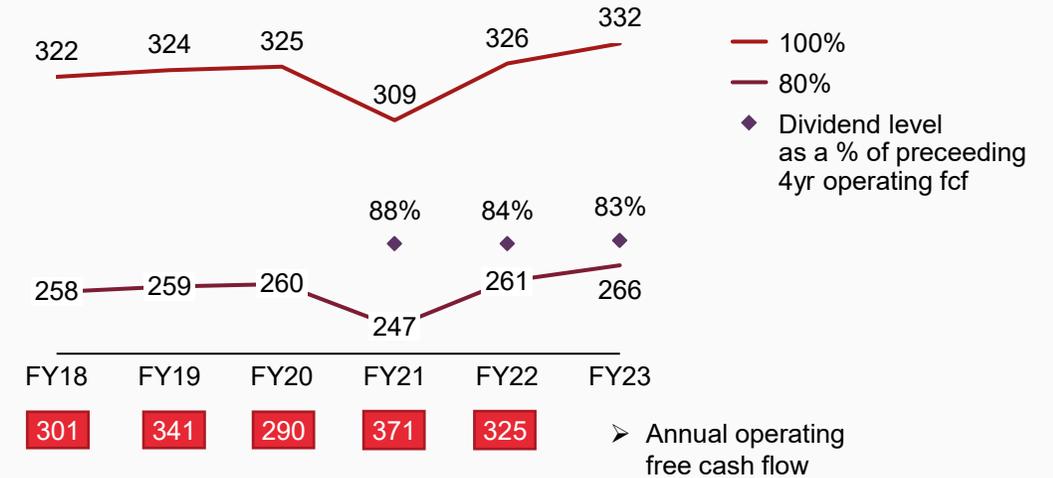
High quality, long-life generation assets support strong operating cash flow

Operating earnings (EBITDAF)



Operating free cash flow (\$m)

Average operating cash flow for the preceding four financial years



Annual operating free cash flow

Dividend policy range: 80-100% of average operating free cash flow for the preceding four years

Capital Structure & Funding



Presented by

Will Thomson
Corporate Treasurer

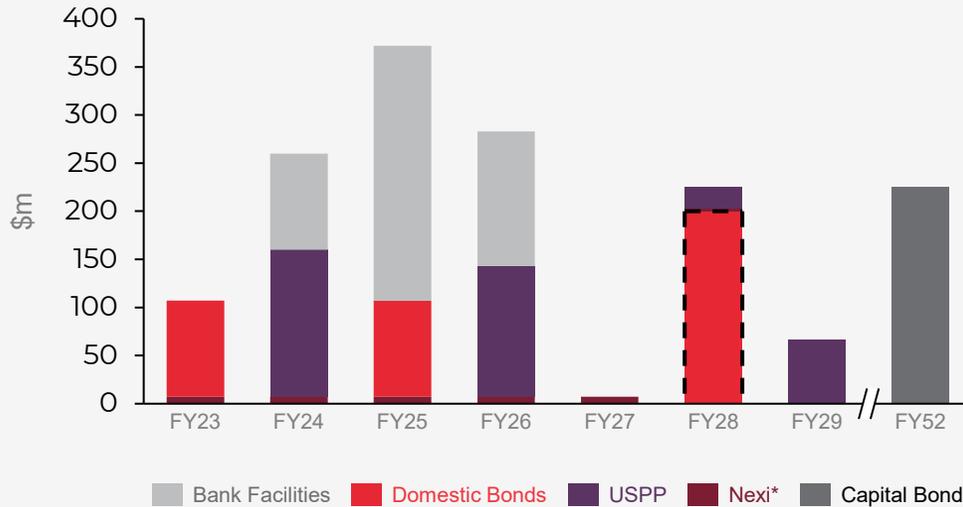


Funding

Funding Portfolio

Funding maturity profile

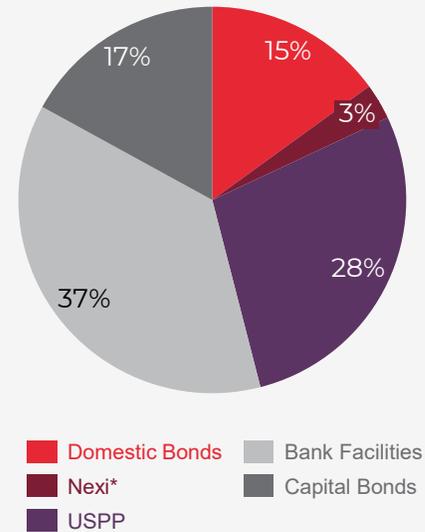
(at 31 August 2022, including new retail Green Bonds)



Maturity profile shows all committed debt as opposed to all drawn debt and assumes a new retail green bond issue of \$200m

Sources of funding

(at 31 August 2022)



Balanced debt portfolio with diverse sources of funding; comprising bank debt, domestic bonds and USPP

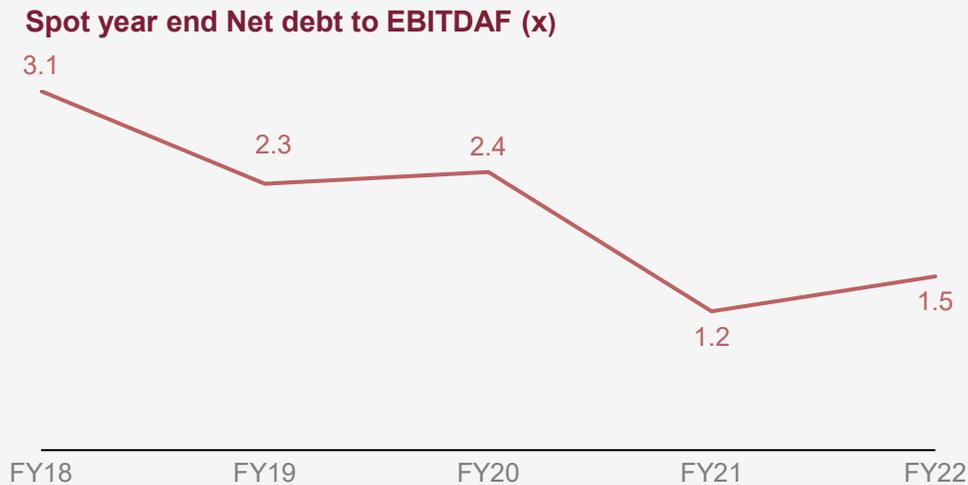
All bank facilities have been converted to sustainability linked loans, and all debt is certified green

The average debt maturity profile (inclusive of the new issuance) is 6.7 years as at 31 August 2022

Offer proceeds will be used to effectively fund the repayment of the maturing \$100m domestic green retail bonds and fund ongoing geothermal development

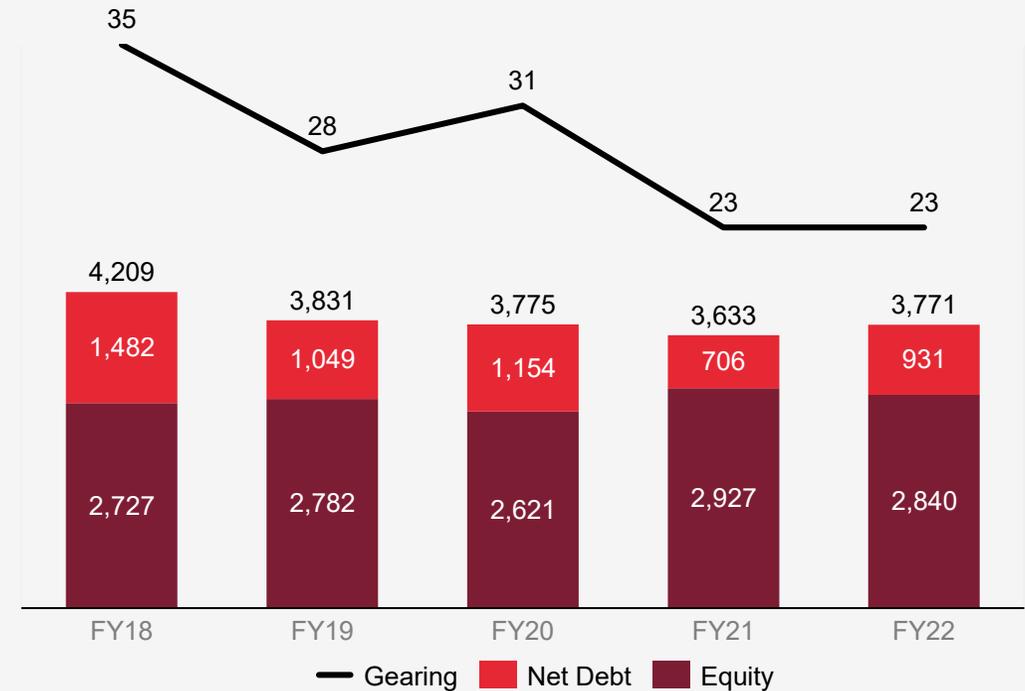
Capital Structure

Contact continues to target a BBB credit rating



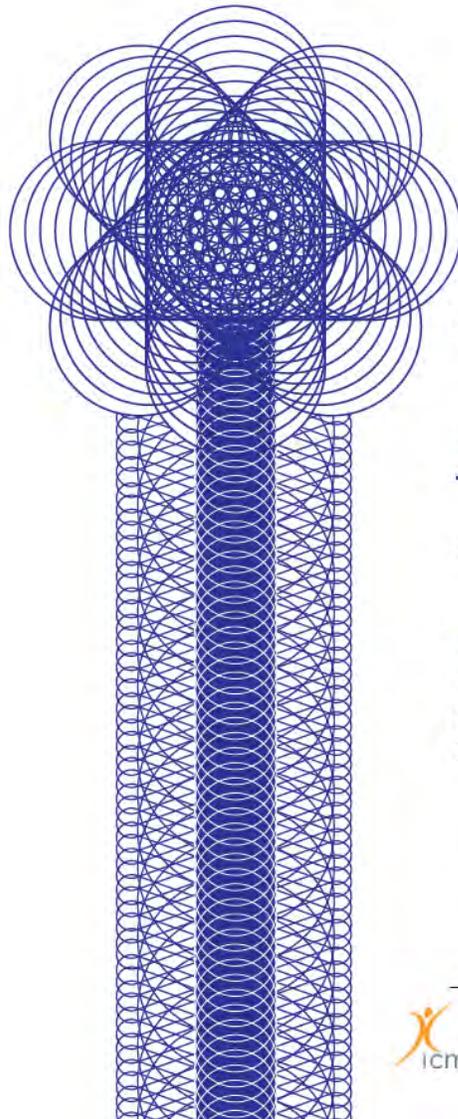
- Provides benefits in terms of access to multiple funding markets & delivers attractive pricing and terms for debt issuances
- S&P's key financial metrics for BBB is a Net Debt/EBITDAF ratio targeting 2.8x over the medium-term
- Most recently reaffirmed by S&P in April 2022

Capital Employed (\$m) & Gearing* (%)



*Gearing ratio is calculated as: Senior debt + Finance lease liabilities / (Senior debt + Finance lease liabilities + Equity) at 30 June of the year

Green Borrowing Programme



Certification



This is to certify that the

CEN070

Issued by

Contact Energy Limited

Has met the criteria for certification by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative

SEAN KIDNEY
Chair of the Climate Bonds Standard Board

30 Aug. 2022



Key Terms and Dates

Key Terms

Issuer	Contact Energy Limited.
Description	Unsecured, unsubordinated, fixed rate, interest bearing debt obligations of Contact.
Issue Amount	Up to NZ\$200,000,000 (with the ability to accept oversubscriptions of up to NZ\$50,000,000 at Contact's discretion).
Tenor	5.5 years maturing Tuesday, 11 April 2028.
Interest Rate	The Interest Rate will be set on the Rate Set Date as being equal to the Base Rate plus the Issue Margin, subject to a minimum Interest Rate of 5.45% per annum.
Indicative Margin	1.30 to 1.45 % per annum.
Interest Payments	Quarterly in arrear in equal payments.
Credit Ratings	Issuer Credit Rating: BBB (stable outlook) (S&P Global Ratings). Issue Credit Rating: BBB (S&P Global Ratings).
Minimum Application Amount	NZ\$5,000 with multiples of NZ\$1,000 thereafter.
Quotation	Application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.
NZX Debt Market Ticker Code	CEN070.

Key Terms

Purpose	The proceeds from the issue of the Green Bonds will be used by Contact for the financing and refinancing of renewable generation and other eligible green assets in accordance with the terms of the Green Borrowing Programme Framework.
Guarantors	None.
Ranking	The Green Bonds rank equally and without preference among themselves and equally with all other outstanding unsecured and unsubordinated indebtedness of Contact, except indebtedness preferred by law.
Financial Covenant	The ratio of consolidated unsubordinated group debt to consolidated unsubordinated group debt plus shareholders' funds (all as described in the Negative Pledge) must not exceed 60%.
No Event of Default	<p>Failure by Contact to:</p> <ol style="list-style-type: none">1. allocate the proceeds of the Green Bonds as described in the Green Borrowing Programme Framework;2. meet the Climate Bonds Standard, Green Bond Principles or the Green Borrowing Programme Framework in respect of the Green Bonds;3. maintain CBI certification of the Green Bonds or other Green Debt Instruments;4. comply with any environmental laws and standards in respect of the Green Assets or otherwise;5. receive further assurance from CBI;6. comply with the Green Borrowing Programme Framework (including updating its website in respect of the Green Bonds);7. notify Bondholders that the Green Bonds cease to comply with the Green Borrowing Programme Framework, the Green Bond Principles or Climate Bonds Standard; or8. in any other way ensure that the Green Bonds retain their green attributes, <p>is not an Event of Default or other default or breach of any obligation under the Trust Documents and does not have the result of requiring, or permitting Bondholders or Contact to require, the Green Bonds to be repaid early. Contact may, depending on the exact circumstances, provide the market with an update in relation to the ongoing status of the Green Bonds as green bonds.</p>

Key Dates

2022	Tuesday, 27 September	Offer opens Indicative pricing and terms sheet released
	Friday, 30 September	Closing Date (11am) Rate Set Date
	Tuesday, 11 October	Issue Date
	Wednesday, 12 October	Expected Quotation Date
2023	Wednesday, 11 January	First Interest Payment Date
2028	Tuesday, 11 April	Maturity Date

Thank you





Indicative Terms Sheet Fixed Rate Green Bonds

27 September 2022

Indicative Terms Sheet

27 September 2022

This indicative terms sheet (**Terms Sheet**) sets out the key terms of the offer by Contact Energy Limited (**Contact** or **Issuer**) of up to NZ\$200,000,000 (with the ability to accept oversubscriptions of up to an additional NZ\$50,000,000 at Contact's discretion) of unsecured, unsubordinated, fixed rate, green bonds maturing on Tuesday, 11 April 2028 (**Green Bonds**) under its Amended and Restated Master Trust Deed dated 21 August 2015 (as further amended from time to time) as modified and supplemented by the Supplemental Trust Deed dated 23 September 2022 entered into between Contact and The New Zealand Guardian Trust Company Limited (**Supervisor**) (together, **Trust Documents**).

Important notice

The offer of debt securities by Contact is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

The offer contained in this Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Contact's:

- NZ\$100,000,000 unsecured, unsubordinated, fixed rate, green bonds (which have a fixed interest rate of 4.63% per annum) maturing on 15 November 2022, which are currently quoted on the NZX Debt Market under the ticker code CEN040 (**CEN040 Bonds**); and

- NZ\$100,000,000 unsecured, unsubordinated, fixed rate, green bonds (which have a fixed interest rate of 3.55% per annum) maturing on 15 August 2024, which are currently quoted on the NZX Debt Market under the ticker code CEN050 (**CEN050 Bonds**),

(the CEN040 Bonds and the CEN050 Bonds, together the **Existing Bonds**).

The Green Bonds are of the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

Contact is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/CEN.

The Existing Bonds are the only debt securities of Contact that are currently quoted and in the same class as the Green Bonds.

Investors should look to the market price of the Existing Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds. When comparing the yield of two debt securities, it is important to consider all relevant factors (including credit rating (if any), maturity and other terms of the relevant debt securities).

ADDRESS DETAILS:

Issuer:	Arranger and Joint Lead Manager:	Joint Lead Manager:	Joint Lead Manager:	Joint Lead Manager:	Registrar:
Contact Energy Limited	Bank of New Zealand	ANZ Bank New Zealand Limited	Craigs Investment Partners Limited	Forsyth Barr Limited	Link Market Services Limited
Harbour City Tower 29 Brandon Street Wellington 6143	Level 6, Deloitte Centre 80 Queen Street Auckland 1010	Level 25, ANZ Centre 23-29 Albert Street Auckland 1010	Level 36, Vero Centre 48 Shortland Street Auckland 1010	Level 22, NTT Tower, 157 Lambton Quay Wellington 6011	Level 11, Deloitte Centre 80 Queen Street Auckland 1010



Issuer	Contact Energy Limited (Contact).						
Description of Bonds	<p>The Green Bonds are unsecured, unsubordinated, fixed rate, debt obligations of Contact ranking equally and without preference among themselves and equally with all other outstanding unsecured and unsubordinated indebtedness of Contact, except indebtedness preferred by law.</p> <p>The Supervisor, on behalf of the Bondholders, has the benefit of certain provisions of Contact's deed of negative pledge and guarantee dated 19 May 2005 (Negative Pledge). Among other things, the Negative Pledge provides that Contact will not grant any security interest in its assets except under certain limited exceptions set out in the Negative Pledge. The Green Bonds are not guaranteed by any person.</p> <p>The Green Bonds are Green Debt Instruments under Contact's Green Borrowing Programme Framework and are certified by the Climate Bonds Initiative (CBI) based on the Climate Bonds Standard. A copy of the Green Borrowing Programme Framework is available on Contact's website: www.contact.co.nz/aboutus/sustainability/financial-sustainability</p>						
Financial Covenant	The ratio of consolidated unsubordinated group debt to consolidated unsubordinated group debt plus shareholders' funds (all as described in the Negative Pledge) must not exceed 60%.						
Purpose	The proceeds from the issue of the Green Bonds will be used by Contact for the financing and refinancing of renewable generation and other eligible green assets (Green Assets) in accordance with the terms of the Green Borrowing Programme Framework.						
Arranger	Bank of New Zealand						
Joint Lead Managers	ANZ Bank New Zealand Limited, Bank of New Zealand, Craigs Investment Partners Limited and Forsyth Barr Limited.						
Credit Ratings	<table border="0"> <thead> <tr> <th></th> <th>Issuer Credit Rating</th> <th>Issue Credit Rating</th> </tr> </thead> <tbody> <tr> <td>S&P Global Ratings</td> <td>BBB (stable outlook)</td> <td>BBB</td> </tr> </tbody> </table> <p>A rating is not a recommendation by any rating organisation to buy, sell or hold Green Bonds. The above credit ratings are current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.</p>		Issuer Credit Rating	Issue Credit Rating	S&P Global Ratings	BBB (stable outlook)	BBB
	Issuer Credit Rating	Issue Credit Rating					
S&P Global Ratings	BBB (stable outlook)	BBB					
Issue Amount	Up to NZ\$200,000,000 (with the ability to accept oversubscriptions of up to an additional NZ\$50,000,000 at Contact's discretion).						
Opening Date	Tuesday, 27 September 2022.						
Closing Date	11:00am, Friday, 30 September 2022.						
Rate Set Date	Friday, 30 September 2022.						
Issue Date	Tuesday, 11 October 2022.						
Expected date of initial quotation and trading on NZX Debt Market	Wednesday, 12 October 2022.						
Maturity Date	Tuesday, 11 April 2028.						
Indicative Issue Margin	<p>The Indicative Issue Margin range is 1.30% to 1.45% per annum.</p> <p>The actual Issue Margin for the Green Bonds (which may be above or below the Indicative Issue Margin range) is the rate (expressed as a percentage rate per annum) determined by Contact (in consultation with the Joint Lead Managers) through the Bookbuild held on the Rate Set Date.</p>						
Interest Rate	The Interest Rate will be set on the Rate Set Date as being equal to the Base Rate plus the Issue Margin, subject to a minimum Interest Rate of 5.45% per annum.						



Base Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Joint Lead Managers in consultation with Contact, according to market convention, with reference to Bloomberg page 'ICNZ4' (or its successor page) on the Rate Set Date and expressed on a quarterly basis (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).
Issue Price	NZ\$1.00 per Green Bond.
Interest Payments	Quarterly in arrear in equal payments.
Interest Payment Dates	11 January, 11 April, 11 July and 11 October each year up to and including the Maturity Date. The first Interest Payment Date is 11 January 2023.
Record Date	10 calendar days before the relevant Interest Payment Date or Maturity Date or, if not a Business Day, the preceding Business Day.
Business Day	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Auckland and Wellington. If an Interest Payment Date falls on a day that is not a Business Day, the due date for any payment to be made on that date will be the next Business Day, with no adjustment to be made to the amount payable as a result of the delay in payment.
Minimum Application Amount	NZ\$5,000 with multiples of NZ\$1,000 thereafter.
ISIN	NZCEND0070L8.
NZX Debt Market Quotation	Application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.
NZX Debt Market Ticker Code	CEN070.
Transfers	The registered owner of a Green Bond may transfer that Green Bond at any time, subject to the terms of the Trust Documents and any applicable securities laws and regulations.
Repo-eligibility	Contact intends to apply to the Reserve Bank of New Zealand for the Green Bonds to be included as eligible securities for domestic market operations.
Brokerage	Applicants are not required to pay brokerage or any charges to Contact for an application under the Offer.
No Event of Default	Failure by Contact to: <ol style="list-style-type: none"> 1. allocate the proceeds of the Green Bonds as described in the Green Borrowing Programme Framework; 2. meet the Climate Bonds Standard, Green Bond Principles or the Green Borrowing Programme Framework in respect of the Green Bonds; 3. maintain CBI certification of the Green Bonds or other Green Debt Instruments; 4. comply with any environmental laws and standards in respect of the Green Assets or otherwise; 5. receive further assurance from CBI; 6. comply with the Green Borrowing Programme Framework (including updating its website in respect of the Green Bonds); 7. notify Bondholders that the Green Bonds cease to comply with the Green Borrowing Programme Framework, the Green Bond Principles or Climate Bonds Standard; or



8. in any other way ensure that the Green Bonds retain their green attributes, is not an Event of Default or other default or breach of any obligation under the Trust Documents and does not have the result of requiring, or permitting Bondholders or Contact to require, the Green Bonds to be repaid early. Contact may, depending on the exact circumstances, provide the market with an update in relation to the ongoing status of the Green Bonds as green bonds.

Registrar and Paying Agent	<p>Link Market Services Limited.</p> <p>The Green Bonds will be accepted for settlement within the NZClear system.</p>
Early Repayment	<p>Bondholders have no rights to require Contact to redeem the Green Bonds early except through the Supervisor in the case of an Event of Default (as set out in the Trust Documents). Contact does not have the right to redeem the Green Bonds early.</p> <p>In the case of an Event of Default (as set out in the Trust Documents) which is continuing unremedied, the Supervisor may declare, and may be directed by an Extraordinary Resolution (as defined in the Trust Documents) of the Bondholders to declare, the principal amounts of the Green Bonds, together with any accrued interest, to be immediately due and payable.</p>
Supervisor	The New Zealand Guardian Trust Company Limited.
Governing Law	New Zealand.
Who May Apply & How to Apply	<p>All of the Green Bonds including any oversubscriptions will be reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the bookbuild.</p> <p>There will be no public pool for the Green Bonds.</p> <p>Retail investors should contact the Joint Lead Managers, their financial advisor or any Primary Market Participant for details on how they may acquire Green Bonds. You can find a Primary Market Participant by visiting www.nzx.com/investing/find-a-participant</p> <p>Any allotment of Green Bonds will be at Contact's discretion, in consultation with the Joint Lead Managers. Contact reserves the right to refuse to make any allotment (or part thereof) without giving any reason. Contact may deal with oversubscriptions (if any) in its sole discretion.</p> <p>Each investor's financial advisor will be able to advise them as to what arrangements will need to be put in place for the investors to trade the Green Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a Primary Market Participant as well as the costs and timeframes for putting such arrangements in place.</p>
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 2001, as modified or amended from time to time (the SFA), Contact has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Green Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).
Selling Restrictions	The selling restrictions set out in the schedule to this Terms Sheet apply.
Green Borrowing Programme Assurance	<p>Contact has received a pre-issuance certification from CBI in respect of the Green Bonds.</p> <p>Contact has engaged KPMG to provide independent assurance of the Green Borrowing Programme to confirm that the Green Borrowing Programme continues to meet the requirements of the Climate Bonds Standard and the Green Bond Principles. Contact will seek to obtain further assurance at least annually.</p> <p>Copies of the CBI certification and the latest KPMG independent limited assurance report (which details the assurance procedures and standards followed) can be found here: www.contact.co.nz/aboutus/sustainability/financial-sustainability</p>



The dates set out in this Terms Sheet are indicative only and Contact, in conjunction with the Joint Lead Managers, may change the dates set out in this Terms Sheet. Contact has the right in its absolute discretion and without notice to close the offer early, to extend the Closing Date, or to choose not to proceed with the offer. If the Closing Date is changed, other dates (such as the Issue Date, Interest Payment Dates and the Maturity Date) may be changed accordingly.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Trust Documents will be made available by Contact for inspection during usual business hours by any Bondholder at Contact's registered office listed above (or such office as Contact may notify the Bondholders from time to time). Copies of the Trust Documents are also available on Contact's website:

www.contact.co.nz/aboutus/investor-centre/investor-information#Bond-information

Investors should seek qualified, independent financial and taxation advice before deciding to invest. Investors will be personally responsible for all tax return filing obligations in respect of their investment in the Green Bonds, compliance with the financial arrangements rules (if applicable) and payment of provisional or terminal tax (if required) on interest derived.

The Supervisor accepts no responsibility for the information contained in this Terms Sheet.

For further information regarding Contact, visit www.nzx.com/companies/CEN.



SELLING RESTRICTIONS

The Green Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Green Bonds may be offered for sale or sold in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions contained in this Terms Sheet. This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions contained in this Terms Sheet.

Without limiting the generality of the above, the following selling restrictions apply in respect of each relevant jurisdiction:

Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Member State except that an offer of Green Bonds to the public in the Member State may be made:

- a) to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Green Bonds shall require Contact or the Joint Lead Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an **offer of the Green Bonds to the public** in relation to any Green Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

No Green Bonds have been offered and no Green Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in the United Kingdom except that it may make an offer of such Green Bonds to the public in the United Kingdom:

- a) to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in

Article 2 of the UK Prospectus

Regulation) in the United Kingdom subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or

- c) in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Green Bonds shall require Contact or the Joint Lead Managers to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an **offer of the Green Bonds to the public** in relation to any Green Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Green Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Green Bonds and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other regulatory restrictions

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Green Bonds in circumstances in which section 21(1) of the FSMA applies to Contact.

All applicable provisions of the FSMA with respect to anything done by it in relation to the Green Bonds in, from or otherwise involving the United Kingdom, must be complied with.

Singapore

This Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Green Bonds may not be circulated or distributed, nor may the Green Bonds be offered or sold, or caused to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of 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) of the SFA, 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 Green Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a) 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



- b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives 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 Green Bonds pursuant to an offer made under Section 275 of the SFA except:
- 1) 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)(c)(ii) of the SFA;
 - 2) where no consideration is or will be given for the transfer;
 - 3) where the transfer is by operation of law;
 - 4) as specified in Section 276(7) of the SFA; or
 - 5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Green Bonds (including this Terms Sheet) has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- a) make or invite (directly or indirectly) an offer of the Green Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Green Bonds in Australia,

unless:

- i. the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- ii. the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the 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, or registered by, ASIC or any other regulatory authority in Australia.

By applying for the Green Bonds under this Terms

Sheet, each person to whom the Green Bonds are issued (an **Investor**):

- a) will be deemed by Contact and the Joint Lead Managers to have acknowledged that if any Investor on-sells the Green Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
 - i. that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Green Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
 - ii. the sale offer is received outside Australia; and
- b) will be deemed by Contact and the Joint Lead Managers to have undertaken not to sell those Green Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Green Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Green Bonds in Australia.

United States of America

The Green Bonds have not been and will not be registered under the Securities Act of 1933, as amended (**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 (as defined in Regulation S under the Securities Act (**Regulation S**)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

None of Contact, any Joint Lead Manager nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in relation to the Green Bonds, and each of Contact, any Joint Lead Manager have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

The Green Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Green Bonds of the Tranche of which such Green Bonds are part, as determined and certified by any Joint Lead Manager, except in accordance with Rule 903 of Regulation S under the Securities Act. Any Green Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:



'The Green Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the 'Securities Act') or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Green Bonds and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S.'

entity organised under the laws of Japan.

Indemnity

By its subscription for the Green Bonds, each Bondholder agrees to indemnify Contact, the Joint Lead Managers and the Supervisor and each of their respective directors, officers and employees for any loss, cost, liability or expense sustained or incurred by Contact, the Joint Lead Managers or the Supervisor, as the case may be, as a result of the breach by that Bondholder of the selling restrictions set out above.

Until 40 days after the completion of the distribution of all Green Bonds of the Tranche of which those Green Bonds are a part, an offer or sale of the Green Bonds within the United States by any Joint Lead Manager, or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

Hong Kong

No Green Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) 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.

No advertisement, invitation or document relating to the Green Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, 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 the Green Bonds 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.

Japan

The Green Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in "ha" of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Green Bonds shall not transfer or resell the Green Bonds except where the transferor transfers or resells all the Green Bonds en bloc to one transferee. For the purposes of this paragraph, Japanese Person shall mean any person resident in Japan, including any corporation or other



CBI disclaimer

The certification of the Green Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bonds Standard and does not, and is not intended to, make any representation, warranty, undertaking, express or implied, or give any assurance with respect to any other matter relating to the Green Bonds, the Green Borrowing Programme Framework, any other Green Debt Instrument or Green Asset, including but not limited to this Terms Sheet, the Trust Documents, any transaction documents, Contact or the management of Contact.

The certification of the Green Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the board of directors of Contact and is not a recommendation to any person to purchase, hold or sell the Green Bonds (or any other Green Debt Instruments in the Green Borrowing Programme Framework) and such certification does not address the market price or suitability of the Green Bonds or the Green Borrowing Programme Framework for a particular investor. Each potential purchaser of the Green Bonds should determine for itself the relevance of this certification. Any purchase of Green Bonds should be based upon such investigation that each potential purchaser deems necessary. The certification also does not address the merits of the decision by Contact or any third party to participate in the Green Bonds, any other Green Debt Instruments or any Green Asset and does not express and should not be deemed to be an expression of an opinion as to Contact or any aspect of the Green Bonds, any other Green Debt Instruments or any Green Asset (including but not limited to the financial viability of the Green Bonds, any other Green Debt Instruments or any Green Asset) other than with respect to conformance with the Climate Bonds Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the fairness, accuracy, reasonableness and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility or liability to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Green Debt Instruments, Green Asset or Contact. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Green Debt Instruments or Green Asset. The certification may only be used with the Green Bonds and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not, and is not in any way intended to, address the likelihood of timely payment of interest when due on the Green Bonds (or any other Green Debt Instruments in the Green Borrowing Programme Framework) and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

Joint Lead Manager disclaimer

None of the Joint Lead Managers nor any of their respective directors, officers, employees and agents: (a) accept any responsibility or liability whatsoever for any loss arising from this term sheet or its contents or otherwise arising in connection with the offer of Green Bonds; (b) authorised or caused the issue of, or made any statement in, any part of this term sheet; and (c) make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this term sheet and accept no liability (except to the extent such liability is found by a court to arise under the Financial Markets Conduct Act 2013 or cannot be disclaimed as a matter of law). This term sheet does not constitute financial advice or a recommendation from any Joint Lead Manager or any of their respective directors, officers, employees, agents or advisers to purchase, any Green Bonds. Each Bondholder must make its own independent investigation and assessment of the financial condition and affairs of the issuer before deciding whether or not to invest in the Green Bonds.