

Governance update

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- Includes non-GAAP financial measures such as "EBITDA". These measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. They should not be used in substitution for, or isolation of, Chorus' audited consolidated financial statements. We monitor EBITDA as a key performance indicator and we believe it assists investors in assessing the performance of the core operations of our business.
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Introducing Mark Cross

- > Chorus Chair effective 26 October 2022
 - Chorus director since 1 November 2016
 - previous chair of Audit & Risk Management Committee (ARMC)
 - 20+ years international experience in corporate finance and investment banking
- > Other current governance roles:
 - Board member and investment committee chair of Accident Compensation Corporation (ACC)
 - director of Xero (and chair of ARMC)
- > Previous governance roles:
 - chair of Milford Asset Management (retired July 2022)
 - director of Genesis Energy, Z Energy, Argosy Property



Your Board



Sue Bailey
Appointed 31 Oct 2019



Miriam Dean
Appointed 27 Oct 2021



Will Irving
Appointed 26 Oct 2022



Murray Jordan
Appointed 1 Sept 2015



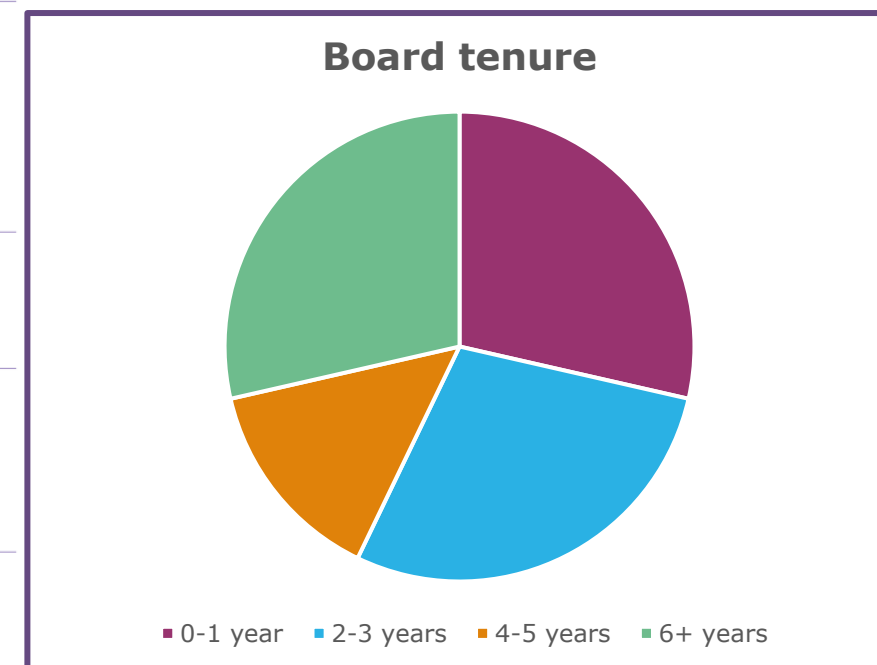
Kate Jorgensen
Appointed 1 July 2020



Jack Matthews
Appointed 1 July 2017

Skill/experience	Description	Combined Board
Capital markets and investment	Experience in, and understanding of, capital markets, market regulation, capital investment and the investor experience	
Communications connectivity and technology	Understanding, expertise and/or experience in communications connectivity, adopting new technologies, leveraging and implementing technologies	
Governance – financial, audit, legal, listed company	Experience with, and a commitment to, high corporate governance standards including in listed companies Understanding financial business drivers, and/or experience implementing or overseeing financial accounting, external reporting and internal financial controls	
Physical infrastructure and operations including contracting, safety and risk	Experience in leading, and/or understanding of, physical infrastructure operations, including contracting Commitment and experience in management of workplace safety Experience anticipating and identifying key risks and monitoring the effectiveness of risk management frameworks and controls	
Governance – executive experience in large businesses	Executive experience in leading large businesses, developing and implementing strategy and strategic objectives, assessing business plans and driving execution	
Infrastructure regulation	Understanding the current and developing regulatory environment, complexities and actual and potential impacts Expertise identifying and managing legal, regulatory, public policy and corporate affairs issues	
Customer experience	Experience in customer-led transformation, customer focus (at both a retailer and consumer level) and/or customer centric organisations	

- Substantial experience
- Moderate experience
- Some experience



Executive Team



JB Rousselot

CEO



Andrew Carroll

GM Customer Network Operations
and Acting CFO



Shaun Philp

Chief People Officer



Elaine Campbell

Chief Corporate Officer and General Counsel



Ed Hyde

Chief Customer Officer



Ewen Powell

Chief Technology Officer

Fibre powers Aotearoa's digital future, enabling a growing business

Connecting
Aotearoa so
that we can all
live, learn, work
and play

CURIOUS

COURAGEOUS

COLLABORATIVE

AUTHENTIC

CHORUS

Thriving environment

Sustainable digital futures

WIN IN CORE FIBRE

Maximise fibre market share
Leading customer experience
Thrive in new regulatory framework

OPTIMISE NON-FIBRE ASSET BASE

Refine rural strategy
Progress UFB copper withdrawal
Optimise property assets

Thriving people

Diverse, inclusive and adaptive Chorus

GROW NEW REVENUES

Incubate new fibre products (e.g. Hyperfibre)
Monetise close adjacent opportunities (e.g. Edge)
Ongoing growth roadmap and strategy

Safe, resilient and efficient assets

Stronger future partnerships

Chorus is changing gear: from build to operate

- > 11-year fibre build programme practically complete and copper network withdrawal underway
- > new regulatory regime in place for fibre: requires organisational evolution in reporting and asset management
- > focus on improving customer experience and delivering benefits to all stakeholders
- > updated strategy: emphasis on managing capital to deliver predictable and growing returns to owners
- > growing free cash flow enables us to explore opportunities to grow regulated and/or non-regulated revenues where shareholder value is maximised



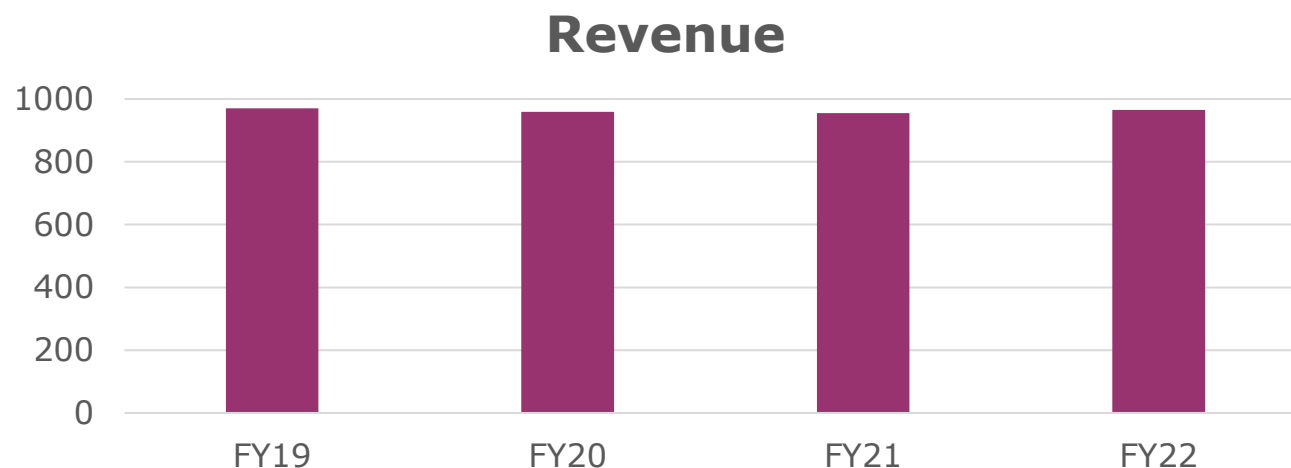
End of fibre rollout = return to positive free cash flow



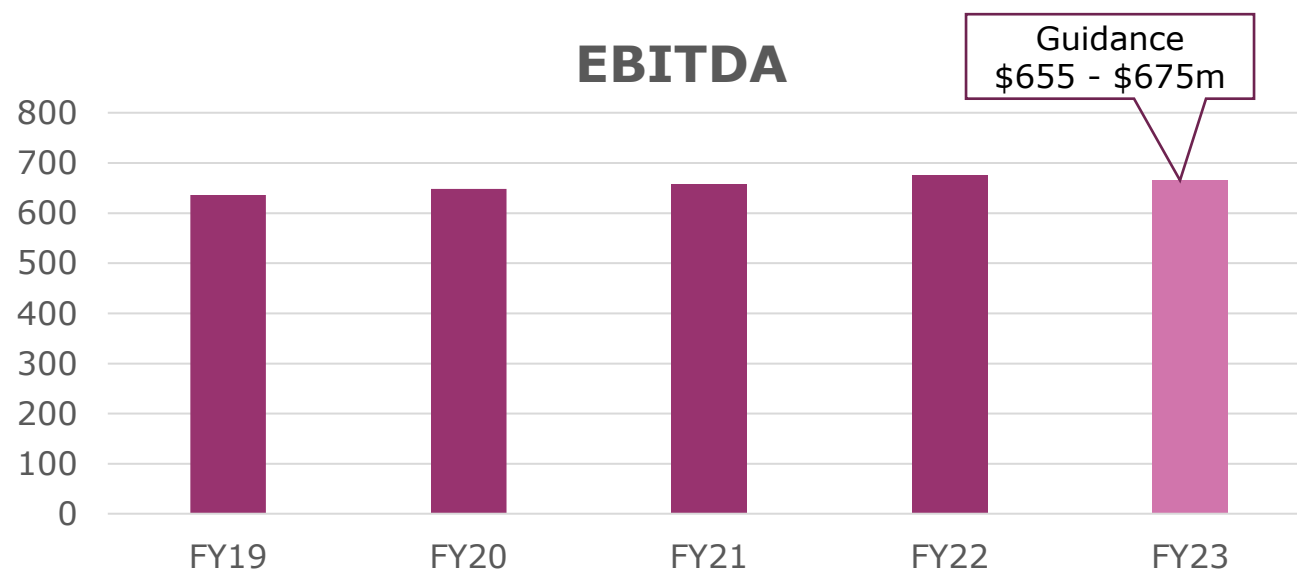
*based on S&P and bank covenant methodologies

- > Chorus' Board considers that a '**BBB**' credit rating or equivalent credit rating is appropriate for a company such as Chorus.
 - 4.08x ND/EBITDA at 30 June
 - total net debt \$2,713m at 30 June
- > ratings agencies thresholds reflect new regulatory regime and growth in free cashflow
 - **S&P: 5.00x** ND/EBITDA on a sustained basis
 - **Moody's: 5.25x** ND/EBITDA on a sustained basis
- > intention that in normal circumstances the ratio of net debt to EBITDA will not materially exceed **4.75 times**
- > **financial covenants** require senior debt ratio to be no greater than **5.50 times**

FY22 marked a return to revenue growth



- > FY22 Revenue of \$965m (FY21: \$955m)
 - Growing consumer fibre uptake and ARPU
 - Strong greenfield demand



- > Objective of modest EBITDA growth

Capital management

Board reviews capital management settings at each result

> **FY23 and FY24 dividend guidance***

- 42.5cps in FY23
- a minimum of 47.5cps in FY24
- dividends unimputed in short to medium term

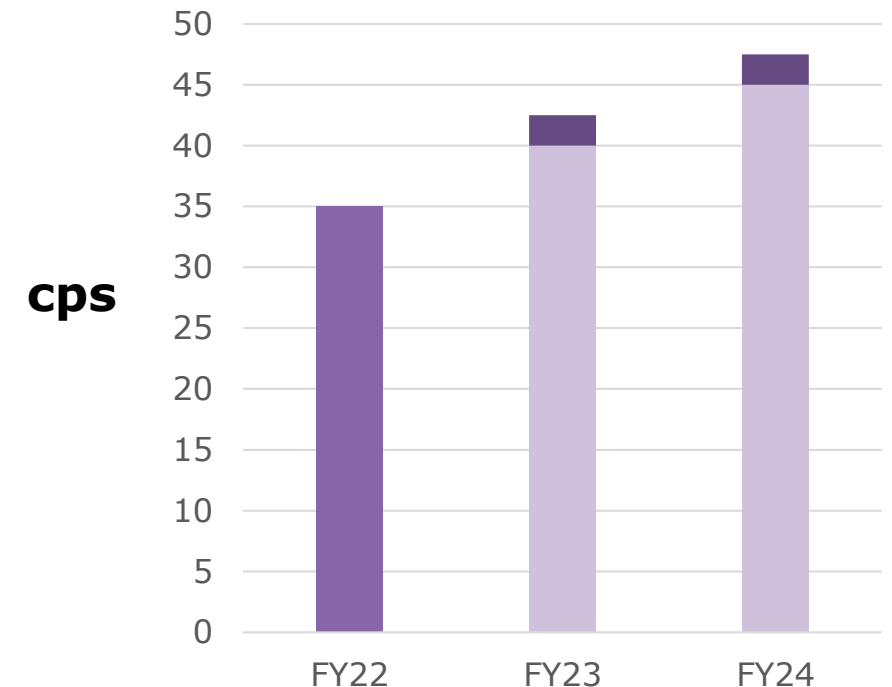
> **\$54m of \$150m share buyback complete**

- tax efficient capital return to shareholders
- Board reserves option to suspend the buyback if more accretive opportunities for shareholder value are identified

> **Dividend Reinvestment Plan**

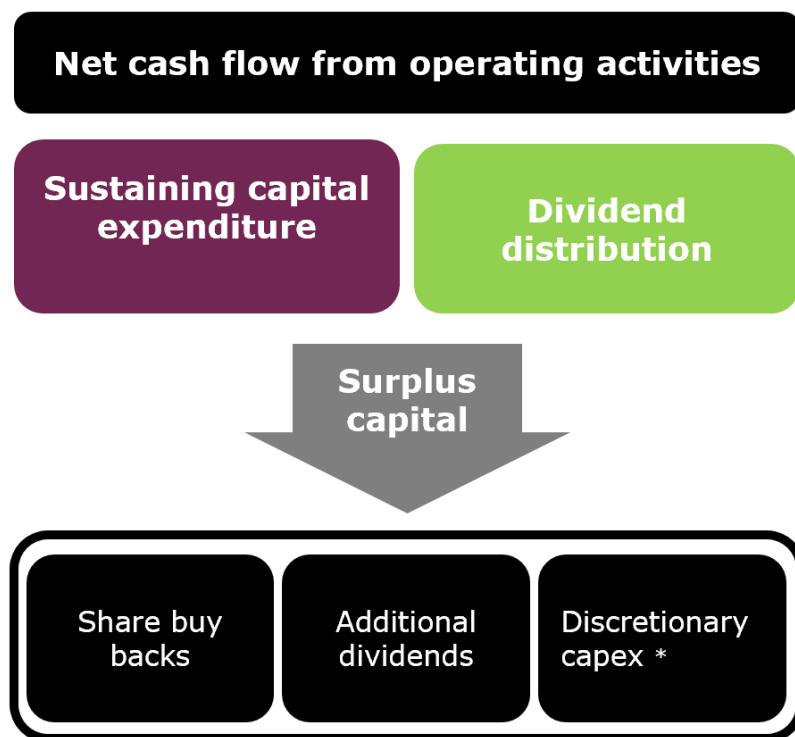
- available with no discount for FY22 dividend: 11% uptake

Dividend guidance – August 2022



* subject to no material adverse changes in circumstances or outlook

Capital allocation framework



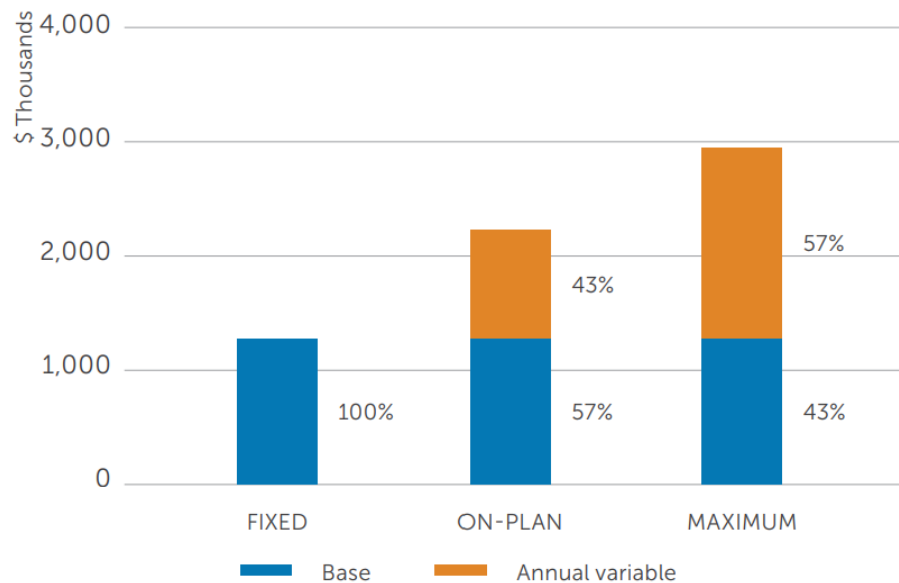
*Examples include fibre footprint expansion, greenfield connections & customer retention spend

- > Surplus capital is allocated based on maximising shareholder value, with discretionary capex only pursued where:
 - greater shareholder value is created compared to share buybacks and/or additional dividends; and
 - regulatory incentives are appropriate (e.g. regulatory WACC vs Chorus WACC)
- > Ordinary dividend: intention to pay out 60% to 80% of free cash flow
 - $\text{free cash flow} = \text{net cash flows from operating activities} - \text{sustaining capex}$

CEO remuneration components

Significant portion of remuneration linked to performance and at risk

FY22 scenario chart (excludes LTI)



	Fixed remuneration	Pay for performance	% STI awarded against maximum
FY22	1,275,000	1,147,500	67%
FY21	1,250,000	768,750	47%

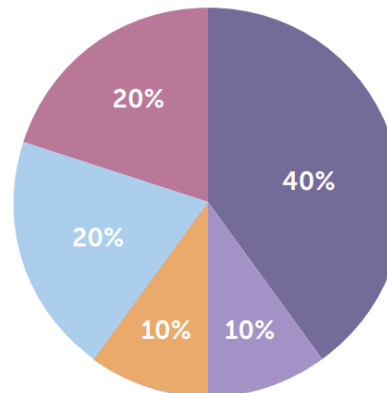
- > Note: Three grants have been made under the LTI scheme
- \$319,829 in 2019 (vested)
 - \$412,500 in 2020 (yet to vest)
 - \$420,750 in 2021 (yet to vest)

Short term incentive

Performance goals reviewed annually to align with shareholder value

- > Company and individual performance components
 - STI bonus is at ultimate discretion of Board
 - CEO STI set at 75% of base remuneration (achieved 67% in FY22)
 - Non-financial measures include targets associated with H&S, overall team engagement scores and gender balance and mix of teams

FY22 STI Goals



Measures	% of target achieved
EBITDA: gateway hurdle of \$618.5m EBITDA. Year end target aligned with objective of modest EBITDA growth.	Exceeded target
Customer experience – fibre fault restoration: measured by consumers' scores (target of 8.1 over three months to March)	Exceeded target
Customer experience – intact fibre connection: measured by consumers' scores (target of 7.7 over three months to 30 June)	Did not meet target
Total Fibre connections: based on total connection target of 967,000 at year end.	Did not meet target
Strategy Regulation Future Chorus: qualitative assessment by Board based on long-term business initiatives including the transition to the new regulatory regime and implementation of a new operating model (including new field services agreement).	Exceeded target

Long term incentive scheme

An absolute return based scheme

- > We use a blended total shareholder return rate to reflect regulated WACC
 - weighted cost of equity calculation, proportional to regulated vs non-regulated components and based on relative enterprise value
 - 0.75% stretch is added to determine the 3-year performance hurdle
- > Re-testing can occur monthly for 12 months (with the hurdle continuing to increase) if performance hurdle is not met by the initial vesting date

LTI – 2019	Three-year grant made November 2019, equivalent to 33% of base remuneration.	• Chorus TSR performance over grant period must exceed 10.35% on an annualised basis, compounding.	Assessed August 2022 with possible retesting ³ up to August 2023.
LTI – 2020	Three-year grant made August 2020, equivalent to 33% of base remuneration.	• Chorus TSR performance over grant period must exceed 9.65% on an annualised basis, compounding.	Assessed August 2023 with possible retesting ³ up to August 2024.
LTI – 2021	Three-year grant made August 2021, equivalent to 33% of base remuneration.	• Chorus TSR performance over grant period must exceed 6.2% ² on an annualised basis, compounding.	Assessed August 2024 with possible retesting ³ up to August 2025.

Our sustainability focus

Second year producing a standalone Sustainability Report

- > enhancing our reporting against **TCFD** framework in preparation for mandatory climate reporting for Chorus' 2024 annual report
- > continued focus on **worker welfare** with dedicated team monitoring contractor and subcontractor field workforce
- > **Modern Slavery Statement**: FY22 focus on imported electronics and telco network equipment
- > **ESG frameworks**:
 - focus on infrastructure-oriented GRESB framework in FY22: achieved B rating
 - received MSCI ESG rating of AA in 2021
 - CDP rating: B



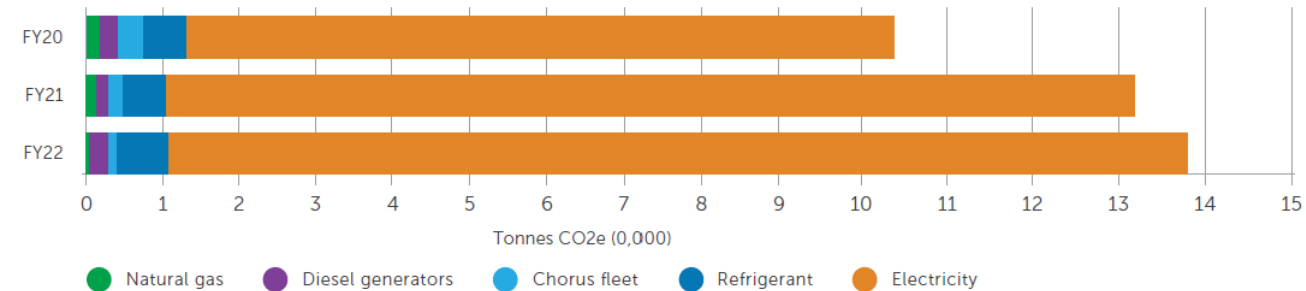
Sustainability metrics



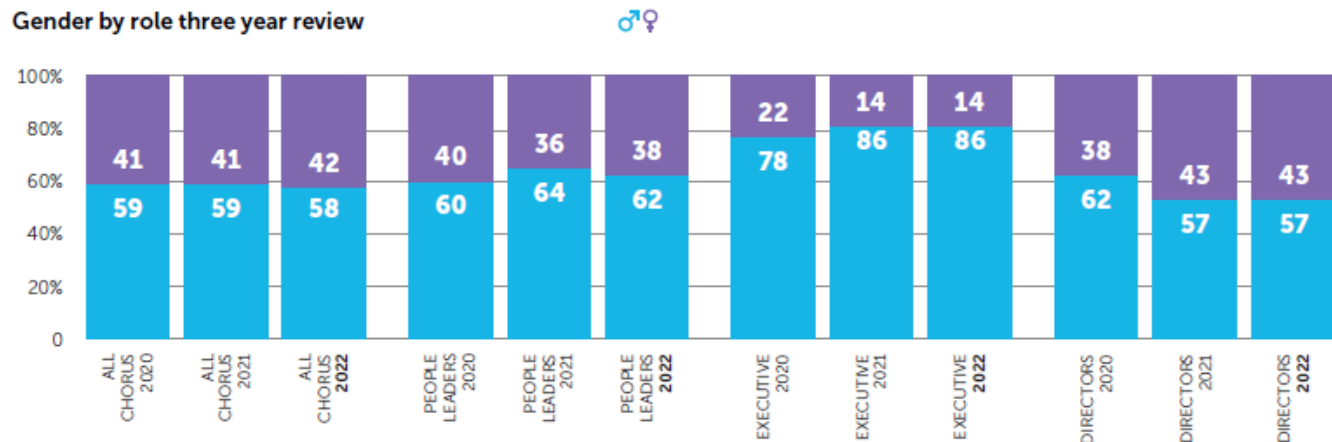
Our targets

- 1 Commitment made to the Science Based Target initiative: To reduce 62% of scope 1 and 2 emissions by 2030, from a base year of 2020.
- 2 15% electricity consumption reduction by 2025. 25% electricity consumption reduction from 2020 by 2030.
- 3 Corporate fleet reduced 25% from 2020 by FY23. Move to 100% Hybrid or EV by FY27.
- 4 Focus on renewables – new electricity provider and commitment to extend solar trial on our exchanges.

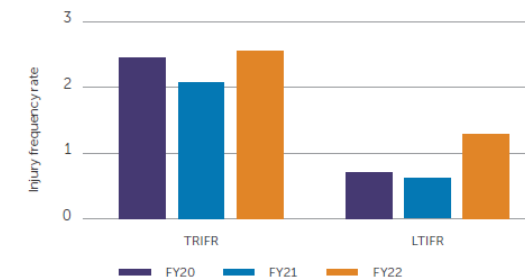
Scope 1 (direct) and 2 (electricity) emissions FY20 - FY22



Gender by role three year review

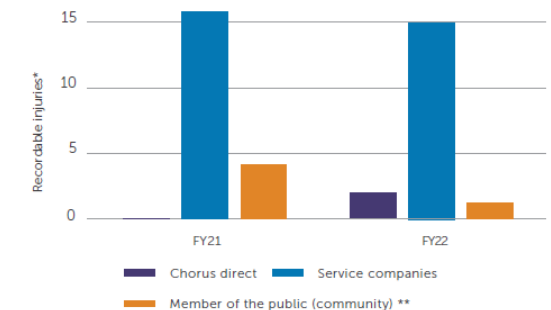


Injury frequency rates FY20 – FY22



LTIFR: number of lost time injuries + medical treatment injuries + restricted work injuries per million hours worked.

Actual recordable injuries* FY21 - FY22



* Recordable injuries are medical treatment, lost time or restricted work injuries
 ** Member of the public (community) injuries reflect those sustained by slips and trips on Chorus infrastructure e.g. manhole covers, which are remediated as quickly as possible.

Cybersecurity and privacy

As a wholesale network operator we hold less personal information than retail providers

- > we comply with the NZ Privacy Act for all personal information we hold and have a public privacy policy
 - privacy is managed within our wider risk management framework
 - our systems, processes and training meet the Act's requirements
- > our ARMC receives cybersecurity reports from our CTO every six months, with interim updates as required
 - we conduct response testing and undertake regular reviews, including external audits
 - we liaise with the National Cyber Security Centre on advanced cyber threats



Shareholder composition

Chorus is a distinctive regulated listed communications infrastructure asset

- > few listed comparators given Chorus is a wholesale only netco

- closest comparator is Netlink NBN Trust in Singapore

- > admitted to Global Listed Infrastructure Organisation Index in 2021

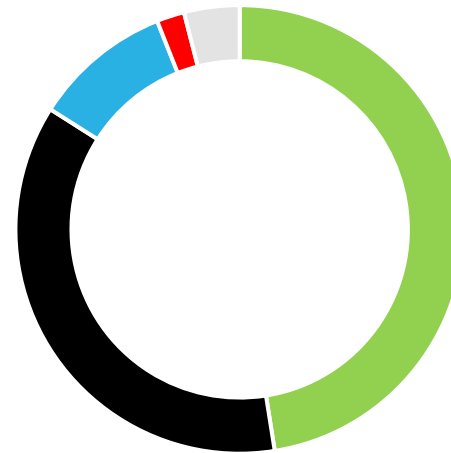
- recently added to GLIO/GRESB ESG Index



GLOBAL LISTED
INFRASTRUCTURE
ORGANISATION

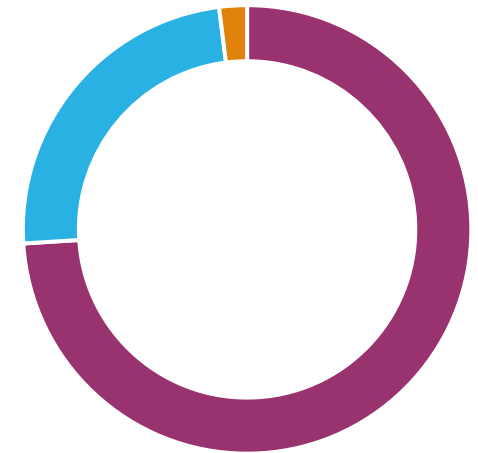
- > 10% ownership cap as part of government demerger requirements in 2011

Investor location



■ Australia ■ NZ ■ USA ■ UK ■ Other

Investor type



■ Institution ■ Retail ■ Other

Data as at August 2022