

Christchurch City Holdings Limited



Final Terms Sheet

Due
5 November 2026

\$150,000,000 Unsecured, Unsubordinated, Fixed Rate Sustainability Bonds

Dated 28 October 2021



Arranger, Sustainability Bond Coordinator and
Joint Lead Manager



Joint Lead Manager



Final Terms Sheet

This Terms Sheet is prepared in respect of an offer by Christchurch City Holdings Limited (**CCHL**) of \$150,000,000 unsecured, unsubordinated fixed rate sustainability bonds (**Sustainability Bonds**) under its master trust deed dated 15 November 2017 (as amended and restated from time to time), as modified and supplemented by the supplemental trust deed dated 26 October 2021 entered into between CCHL and Public Trust (**Supervisor**) (together, the **Trust Documents**).

Important Notice

The offer of Sustainability Bonds is an offer of debt securities being made in reliance upon the Financial Markets Conduct (Christchurch City Holdings Limited Sustainable Bond Offer) Exemption Notice 2021 (the **Exemption**). Except for the interest rate, maturity date, their “sustainability” label and the use of proceeds described below, the Sustainability Bonds will have identical rights, privileges, limitations and conditions as:

- CCHL’s \$150,000,000 3.40% unsecured, unsubordinated, fixed rate bonds maturing on 6 December 2022 which are quoted on the NZX Debt Market under the ticker code CCH010; and
- CCHL’s \$150,000,000 3.58% unsecured, unsubordinated, fixed rate bonds maturing on 27 November 2024 which are quoted on the NZX Debt Market under the ticker code CCH020,

(together the **Quoted Bonds**). The Quoted Bonds are not Sustainability Bonds.

CCHL intends the net proceeds of this offer to be notionally allocated in accordance with CCHL’s Sustainable Finance Framework dated October 2021 (as amended from time to time) (the **Sustainable Finance Framework**) for projects identified for positive environmental and/or social outcomes. Specifically, as at the date of this Terms Sheet, CCHL expects to apply the net proceeds of the offer to refinance CCHL’s existing debt relating to the fibre network in greater Christchurch constructed by Enable Networks Limited (**ENL**) (a subsidiary¹ of Enable Services Limited (**ESL**), which is in turn a wholly owned subsidiary of CCHL) and to track an amount equal to the net proceeds within its systems, notionally allocated for “Eligible Assets” (see the “Sustainable Finance Framework” section in the Sustainability Information section of this Terms Sheet below for further information). But in the future the net proceeds could be notionally allocated for other Eligible Assets.

CCHL 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/CCH.

Investors should look to the market price of the Quoted Bonds referred to above to find out how the market assesses the returns and risk premium for those Quoted Bonds.

¹ The Crown holds one share in ENL which does not confer on it any voting rights or rights to dividends but gives the Crown rights of control over ENL’s business activities under certain circumstances (as set out in ENL’s constitution)

Key Terms

Issuer	Christchurch City Holdings Limited.				
Instrument	Unsecured, unsubordinated, fixed rate Sustainability Bonds.				
Status	The principal amounts of, and interest on, the Sustainability Bonds will rank at least equally with all present and future unsecured and unsubordinated indebtedness of CCHL (except indebtedness preferred by law and subject to laws affecting creditors' rights generally and equitable principles of general application).				
Credit Ratings	<table border="0"> <thead> <tr> <th style="text-align: center;">CCHL Credit Rating</th> <th style="text-align: center;">Expected Issue Credit Rating</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">AA- (stable) S&P Global Ratings</td> <td style="text-align: center;">AA- S&P Global Ratings</td> </tr> </tbody> </table> <p>Further information about S&P Global Ratings' credit rating scale is available at www.standardandpoors.com. A credit rating is not a recommendation to invest in the Sustainability Bonds and may be subject to revision, suspension or withdrawal at any time.</p>	CCHL Credit Rating	Expected Issue Credit Rating	AA- (stable) S&P Global Ratings	AA- S&P Global Ratings
CCHL Credit Rating	Expected Issue Credit Rating				
AA- (stable) S&P Global Ratings	AA- S&P Global Ratings				
Uncalled Capital	<p>CCHL is a wholly owned subsidiary of the Christchurch City Council (the Council). The Council provides financial support to CCHL through its subscription for uncalled capital. Under the Trust Documents, CCHL must ensure that its Total Liabilities do not exceed the aggregate of:</p> <ul style="list-style-type: none"> - the amount that is uncalled and unpaid in respect of shares in CCHL that are legally and beneficially owned by the Council; and - the principal amount of all loans made by CCHL to the Council that are repayable within seven days of demand by CCHL of repayment. <p>As at the date of this Terms Sheet, the amount of Council uncalled capital was \$1.5bn and there were no loans made by CCHL to the Council.</p> <p>The Council does not guarantee CCHL's obligations under the Sustainability Bonds and the Sustainability Bonds are not guaranteed by any person.</p> <p>Bondholders may vote for CCHL to call the uncalled capital (in whole or in part). However any such request can only be made by the Supervisor after the occurrence of an Event of Default. Amounts paid by the Council are available for all creditors of CCHL.</p> <p>More information on the uncalled capital is contained in the Trust Documents.</p>				
Use of Proceeds	<p>As at the date of this Terms Sheet, in accordance with the Sustainable Finance Framework, CCHL expects to apply the net proceeds of the Offer to refinance CCHL's existing debt relating to the fibre network in greater Christchurch that has been constructed by ENL, and to track an amount equal to the net proceeds within its systems, notionally allocated for Eligible Assets (as described below). Construction of ENL's fibre network was funded in part by a loan from Crown Infrastructure Partners to CCHL which was used by CCHL to invest equity in ESL/ENL. CCHL repaid its Crown Infrastructure Partners loan on 31 May 2021 from short-term borrowing which matures on 28 October 2021.</p> <p>Eligible Assets include businesses, projects, assets or activities that help achieve CCHL's "sustainability goals" which are defined in the Sustainable Finance Framework as "green assets" and/or "social assets".</p>				
Issue Amount	\$150,000,000				
Opening Date	Tuesday, 26 October 2021.				
Closing Date	2:00pm (New Zealand time) Thursday, 28 October 2021.				
Rate Set Date	Thursday, 28 October 2021.				
Issue and Allotment Date	Friday, 5 November 2021.				
Maturity Date	Thursday, 5 November 2026				

Interest Rate	3.01% per annum, being the sum of the Swap Rate and the Margin
Margin	0.35% per annum.
Swap Rate	The semi-annual mid-market swap rate for an interest rate swap of a term and start date matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in accordance with market convention with reference to Bloomberg page ICNZ4 on the Rate Set Date and expressed on a semi-annual basis, rounded to 2 decimal places, if necessary with 0.005 being rounded up.
Interest Payments	Interest will be paid semi-annually (half annual amount) in arrear in equal amounts on 5 November and 5 May of each year until and including the Maturity Date (the Interest Payment Dates). If an Interest Payment Date is not a Business Day, the relevant payment will be made on the next day which is a Business Day. The first Interest Payment Date will be 5 May 2022.
Issue Price	Par (\$1.00).
Minimum Subscription Amount and Minimum Holding Amount	The minimum subscription amount and minimum holding amount in respect of the Sustainability Bond is \$5,000 and multiples of \$1,000 thereafter.
Financial Covenants	<p>CCHL has agreed that, for so long as any bonds issued under the Trust Documents (including the Sustainability Bonds) are outstanding:</p> <ul style="list-style-type: none"> - its Total Liabilities will not exceed 60% of its Total Tangible Assets; - the ratio of EBIT to Interest and Financing Costs will not be less than 1.5:1; and - Shareholders' Funds will not be less than \$500m. <p>More information on the financial covenants and how they are calculated is contained in the Trust Documents.</p>
Negative Pledge	<p>CCHL has agreed that it will not create any security over its assets. This negative pledge is subject to certain exclusions, including:</p> <ul style="list-style-type: none"> - security interests created with the Supervisor's consent; and - security interests in respect of which the aggregate principal amount of indebtedness so secured by all security interests permitted under this exclusion does not exceed 5% of CCHL's Total Tangible Assets at that time. <p>More information on the negative pledge and the exceptions to the negative pledge is contained in the Trust Documents.</p>
Early Redemption	The Sustainability Bonds cannot be redeemed prior to the Maturity Date, unless an Event of Default occurs (as described below).
Events of Default	<p>The Events of Default are contained in clause 17 of the Master Trust Deed. They include:</p> <ul style="list-style-type: none"> - a failure by CCHL to make a payment on the Sustainability Bonds; - a material misrepresentation by CCHL; - a breach of the financial covenants set out in the Trust Documents; and - insolvency events that affect CCHL. <p>If an Event of Default occurs and is continuing, the Supervisor may, in its discretion, and must immediately upon being directed to do so by an extraordinary resolution of Bondholders, declare the principal amount and any accrued interest on the Sustainability Bonds immediately due and payable. If this occurs, CCHL will be obliged to repay holders of the Sustainability Bonds the principal amount of their Sustainability Bonds and any outstanding interest due on their Sustainability Bonds. The Supplemental Trust Deed sets out how the amount of any outstanding interest would be calculated in such an event.</p> <p>More information on the Events of Default is contained in the Trust Documents.</p>
Business Day Convention	Following Business Day (unadjusted).
Record Date	10 days before the due date for a payment, or if that day is not a Business Day, the immediately preceding Business Day.

Business Days	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Christchurch, Auckland and Wellington except that in the context of the NZX Listing Rules it means a day on which the NZX Debt Market is open for trading.
ISIN	NZCCHDT895C5.
Quotation	Application has been made to NZX Limited (NZX) for permission to quote the Sustainability Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of distribution of this Terms Sheet have been complied with. However, the Sustainability Bonds have not yet been approved for trading and 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. Ticker code CCH030 has been reserved for the Sustainability Bonds.
Expected date of quotation and trading on the NZX Debt Market	It is expected that quotation of the Sustainability Bonds on the NZX Debt Market will occur on Monday, 8 November 2021.
Approved Issuer Levy	CCHL proposes to register the Sustainability Bonds for approved issuer levy (AIL) and, where it is eligible to do so in respect of interest paid to a non-resident Bondholder that is subject to the non-resident withholding tax rules (and unless otherwise elected by the Bondholder), to pay AIL in lieu of deducting non-resident withholding tax. If the Sustainability Bonds qualify for the 0% rate of AIL, CCHL intends to apply the 0% rate, otherwise it will apply AIL at the applicable rate. The amount of any AIL paid will be deducted from payments to Investors.
Trust Documents	Master Trust Deed dated 15 November 2017 (as amended on or about 18 November 2020). Supplemental Trust Deed dated 26 October 2021.
Registrar and Paying Agent Register	Computershare Investor Services Limited. The Sustainability Bonds will be accepted for settlement within the NZClear system.
Repo Eligibility	CCHL intends to apply to the Reserve Bank of New Zealand for the Sustainability Bonds to be included as eligible securities for Domestic Market Operations.
Arranger & Sustainability Bond Coordinator	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch) (Westpac).
Joint Lead Managers	ANZ Bank New Zealand Limited. Westpac.
Supervisor	Public Trust.
Governing Law	New Zealand.
Who May Apply	There is no public pool for the offer, with 100% of the Sustainability Bonds reserved for clients of the Joint Lead Managers, NZX participants, other approved financial intermediaries and institutional investors. Investors wishing to purchase the Sustainability Bonds should contact their broker or financial adviser. In respect of any oversubscriptions or generally, any allotment of Sustainability Bonds will be at CCHL's discretion, in consultation with the Joint Lead Managers. CCHL reserves the right to refuse to make any allotment (or part thereof) without giving any reason. Each investor's broker or financial adviser will be able to advise them as to what arrangements will need to be put in place for the investor to trade the Sustainability 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.
Selling Restrictions	The selling restrictions contained in the schedule to this Terms Sheet apply. By purchasing any Sustainability Bonds, each Bondholder agrees to indemnify CCHL, the Joint Lead Managers and the Supervisor and each of their respective directors, officers, employees and agents (as applicable) for any liability, cost, loss or damages sustained or incurred by CCHL,

	the Joint Lead Managers and the Supervisor, as the case may be, as a result of the breach by that Bondholder of the selling restrictions set out in the schedule to this Terms Sheet.
Singapore Securities and Futures Act Product Classification	Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the SFA), CCHL has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Sustainability Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Sustainability Information

The information below regarding the sustainability aspects of the Sustainability Bonds includes information required to be disclosed under the Exemption Notice.

Sustainable Finance Framework	<p>CCHL has developed and adopted the Sustainable Finance Framework which describes the outcomes the Sustainable Finance Framework seeks to achieve (see the "Sustainable Finance Framework Outcomes relevant to the Sustainability Bonds" section below for outcomes relevant to the Sustainability Bonds).</p> <p>The Sustainable Finance Framework is designed to ensure that CCHL's processes for identifying Eligible Assets and managing the notional allocation of proceeds of applicable financing instruments are consistent with relevant market principles.</p> <p>In the case of the Sustainability Bonds, relevant market principles include the Green Bond Principles dated June 2021 (as amended from time to time), the Social Bond Principles dated June 2021 (as amended from time to time), and the Sustainability Bond Guidelines dated June 2021 (as amended from time to time) (together the Sustainability Bond Principles).</p> <p>Under the Sustainable Finance Framework, CCHL intends to maintain a balance of Eligible Assets that have a fair value at least equal to the original principal amount of the Sustainability Bonds at the time of issuance. Eligible Assets may be owned by subsidiaries of CCHL, including ENL, Christchurch International Airport, Orion New Zealand, Lyttelton Port Company, City Care and EcoCentral. Assets owned directly by any subsidiary of CCHL may be considered Eligible Assets if they meet the requirements of the Sustainable Finance Framework (see section 3 of the Sustainable Finance Framework for further details).</p> <p>Further information on the types of Eligible Assets which the net proceeds of sustainable debt can be notionally allocated for, and CCHL's processes for evaluating and selecting Eligible Assets are set out in sections 3, 4 and 5 of the Sustainable Finance Framework.</p> <p>CCHL has established a Funding Sub-Committee of the Board which is responsible for (among other things) overall governance of the processes contemplated by the Sustainable Finance Framework, including oversight of the notional allocation of sustainable debt proceeds to Eligible Assets, on-going maintenance of the Eligible Assets register and ensuring compliance with the Sustainable Finance Framework. The Funding Sub-Committee meets on a six monthly basis (and otherwise when the Funding Sub-Committee considers is required). To enable CCHL board oversight, the Funding Sub-Committee is required to report to CCHL's board on a six monthly basis regarding the Funding Sub-Committee's activities and processes.</p> <p>Further information on CCHL's governance processes under the Sustainable Finance Framework is set out in sections 4 and 10 of the Sustainable Finance Framework.</p> <p>The Sustainability Bonds are issued under the Sustainable Finance Framework as "sustainability bonds" on the basis described above and as set out in the "Use of Proceeds" section in the Key Terms section of this Terms Sheet above.</p> <p>Investors should read the Sustainable Finance Framework before deciding whether to invest in the Sustainability Bonds. A copy of the Sustainable Finance Framework is available on CCHL's website at www.cchl.co.nz/bond-offer.</p>
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Sustainable Finance Framework Outcomes relevant to the Sustainability Bonds

The sustainability outcomes that the Sustainable Finance Framework seeks to achieve are set out in section 1.2 of the Sustainable Finance Framework.

As at the date of this Terms Sheet, the key outcomes that the Sustainability Bonds aim to maintain achievement of (given the net proceeds of the Offer are intended to be used to refinance CCHL's existing debt relating to the ENL fibre network construction (which was completed in 2018)) are:

- improving energy efficiency through the use of fibre-optic networks;
- providing affordable basic infrastructure for high speed internet access;
- enabling access to essential services through high speed internet;
- generating investment and employment opportunities for the communities of Christchurch; and
- assisting socioeconomic advancement and empowerment by seeking to eliminate digital inequity.

As at the date of this Terms Sheet, the circumstances that CCHL is aware of that exist or are likely to arise that significantly increase the risk these outcomes are not achieved in respect of the Sustainability Bonds are that:

- CCHL's ownership stake in the Eligible Assets changes (which could occur as a result of CCHL itself, ESL or ENL divesting their respective interest in the ENL fibre network); or
- broader social or environmental circumstances evolve so that the fibre network no longer meets the intended key outcomes outlined above.

CCHL will measure annually the extent to which the key outcomes that the Sustainability Bonds aim to maintain achievement of are achieved and will report the results of this assessment to Bondholders in the three month period following CCHL's balance date each year.

Subject to the availability of information and confidentiality obligations, CCHL will:

- look to use the relevant impact reporting guidelines recommended in the Sustainability Bond Principles at the relevant time to measure the outcomes that are intended to be achieved from the Eligible Assets to which the proceeds of the Sustainability Bond have been notionally allocated; and
- report on these outcomes in the annual update report CCHL provides to Sustainability Bondholders pursuant to the Sustainable Finance Framework which will be published on CCHL's website on or about the same date that CCHL publishes its annual report.

No Event of Default in relation to Sustainable Status

If:

1. CCHL fails to notionally allocate the proceeds of the Sustainability Bonds as described in this Terms Sheet or the Sustainable Finance Framework;
2. CCHL fails to materially comply with the Sustainable Finance Framework (see the "Circumstances where the Sustainable Finance Framework may not be complied with" section below for further information regarding this);
3. the Sustainability Bonds cease to satisfy the Sustainability Bond Principles (or market practices, standards, principles or regulations further develop in a way that the Sustainability Bonds are not consistent with);
4. the requirements in the listing rules of the NZX Debt Market change meaning NZX will cease designating the Sustainability Bonds as "sustainable"; or
5. CCHL or any of its subsidiaries owns other assets or undertakes other projects (whether or not in line with any sustainability bond standards or principles) outside the Sustainable Finance Framework or any other applicable sustainable financing framework,

no Event of Default or breach of the terms of the Sustainability Bonds will occur.

However, should any of the above scenarios 1 to 4 occur and not be remedied within a reasonable period, then CCHL may, if it considers that the "sustainability" label is able to be maintained, seek to obtain a third party assurance confirming adherence of the Sustainability Bonds with the Sustainability Bond Principles. If such third party assurance is not or cannot be

obtained, CCHL would then cease to label and market the Sustainability Bonds as “sustainability bonds”. In that case:

- CCHL intends to promptly notify investors by making an NZX announcement (or, if CCHL elects, by providing written notice to each Bondholder); but
- no Event of Default or breach of the terms of the Sustainability Bonds will occur (as described above) and neither the Bondholders nor CCHL have any right for the Sustainability Bonds to be repaid early.

In relation to scenario 5 above, CCHL and its subsidiaries may own other assets or undertake other projects, and the Sustainable Finance Framework does not restrict CCHL and its subsidiaries from doing so, provided that CCHL continues to maintain a balance of Eligible Assets that have a fair value at least equal to the original principal amount of the Sustainability Bonds at the time of issuance (as described further in the “Sustainable Finance Framework” section above).

CCHL is required by applicable law and/or NZX Listing Rules to cease describing the bonds as Sustainability Bonds if that label became misleading or deceptive, or likely to mislead or deceive; to inform NZX if any green or sustainable designation on NZX is, or may have become, misleading or inaccurate; and generally to disclose to the market material information in relation to the Sustainability Bonds (including material information relating to their description as Sustainability Bonds).

Additionally, Bondholders that invested in Sustainability Bonds on the basis of the “sustainability” label or compliance with the Sustainability Bond Principles may consider that the bonds no longer align with their intentions or requirements. For example, a loss of the “sustainability” label could be a risk for an ESG fund if it would trigger a requirement for the ESG fund to sell its Sustainability Bonds.

Bondholders looking to sell their bonds after they have lost their “sustainability” label may have increased difficulty finding interested buyers or obtaining an acceptable price.

Circumstances where the Sustainable Finance Framework may not be complied with

As at the date of this Terms Sheet the circumstances that CCHL is aware of that exist or are likely to arise that significantly increase the risk that the Sustainable Finance Framework may not be complied with in respect of the Sustainability Bonds are:

- the Eligible Assets to which the proceeds of the Sustainability Bonds are notionally allocated are no longer Eligible Assets” under the Sustainability Finance Framework;
- changes in standards/principles means existing projects are no longer Eligible Assets;
- a failure to maintain any third party assurance for the Sustainability Bonds;
- a failure to maintain the Funding Sub-Committee or any required CCHL board oversight of the Funding Sub-Committee; or
- other operational errors relating to the Sustainable Finance Framework.

If non-compliance with the Sustainable Finance Framework is identified by CCHL or through third-party assurance (see the “Third Party Assurance” section below) then:

- any material on-going non-compliance would be notified in CCHL’s next annual update report to investors which will be published on CCHL’s website at or about the same time as CCHL’s annual report; and
- any non-compliance which constitutes “material information” for the purposes of any listing rules of the NZX Debt Market operated by NZX Limited would be released immediately to the market as “continuous disclosure” (that information can be found by visiting www.nzx.com/companies/CCH).

Additionally, CCHL will publish its third party assurance reports for the Sustainability Bonds on CCHL’s website.

Other than a potential loss of the “sustainable” label (and the consequences of that loss of label) as outlined in the above “No Event of Default in relation to Sustainable Status” section, there are not expected to be any material financial consequences for bondholders arising from non-compliance by CCHL with the Sustainable Finance Framework.

CCHL can also update the Sustainable Finance Framework from time to time, for example to resolve any non-compliance that has been identified.

Third Party Assurance

Ernst & Young Limited (EY) has provided a pre-issuance limited assurance report to CCHL for this Sustainability Bond. A copy of that report is available on CCHL's website at www.cchl.co.nz/bond-offer. This limited assurance report concludes that nothing came to EY's attention that caused it to believe that the Sustainable Finance Framework and CCHL's Eligible Assets register of assets and activities identified as eligible for green, social and/or sustainability finance was not prepared, and presented fairly, in all material respects, in accordance with the Sustainability Bond Principles and the Sustainable Finance Framework (which sets out the criteria for assessing asset eligibility).

The purpose of the pre-issuance limited assurance is to provide CCHL with the conclusions set out above at the point in time at which the assurance was completed.

CCHL also intends to obtain a post-issuance third party assurance annually over each annual update report CCHL provides to Bondholders pursuant to the Sustainable Finance Framework. The purpose of this post-issuance third party assurance is to provide limited assurance on an annual basis that the use of proceeds under all sustainable debt instruments issued under the Sustainable Finance Framework is still being used as set out in the Sustainable Finance Framework.

As noted above the third party assurance is given at a specific point in time only. Apart from the third party assurance described above, the Sustainability Bonds are not separately certified by any third party.

CCHL estimates that the total third party assurance report fees it will pay in connection with the offer and the issue of the Sustainability Bonds is \$42,625 plus GST. These assurance report fees will be payable to EY for providing CCHL with the pre-issuance limited assurance report referred to above.

The dates and times set out in this Terms Sheet are indicative only and are subject to change. CCHL 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 extended, subsequent dates may be extended 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.

Capitalised terms used but not defined in the Terms Sheet have the meaning given to them in the Trust Documents.

Copies of the Trust Documents are available on the website (managed by CCHL) for the offer of the Sustainability Bonds www.cchl.co.nz/bond-offer.

Investors are personally responsible for ensuring compliance with all relevant laws and regulations applicable to them (including any required registrations). Investors should seek qualified, independent legal, financial and taxation advice before deciding to invest.

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



Address Details

Issuer

Christchurch City Holding Limited

Level 1, Deloitte House
151 Cambridge Terrace
Christchurch 8013

**Arranger, Sustainability Bond Coordinator
and Joint Lead Manager**

Westpac Banking Corporation

(ABN 33 007 457 141)
(acting through its New Zealand branch)
Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010

Joint Lead Manager

ANZ Bank New Zealand Limited

Level 10, ANZ Centre
171 Featherston Street
Wellington 6011

Schedule – Selling Restrictions

This is an offer of Sustainability Bonds to institutional investors and members of the public who are resident in New Zealand and certain overseas institutional investors only.

CCHL has not taken and will not take any action which would permit a public offering of Sustainability Bonds, or possession or distribution of any offering material in respect of the Sustainability Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

The Sustainability Bonds may only be offered for sale or sold in a jurisdiction other than New Zealand in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered.

Any information memorandum, disclosure statement, circular, advertisement or other offering material in respect of the Sustainability Bonds may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

There are specific selling restrictions that apply to an offer of the Sustainability Bonds in the United States of America, European Economic Area, Switzerland, the United Kingdom, Australia, Hong Kong, Japan, Singapore and Korea. These selling restrictions do not apply to an offer of the Sustainability Bonds in New Zealand.

These selling restrictions may be modified by CCHL and the Joint Lead Managers, including following a change in a relevant law, regulation or directive. Persons into whose hands the Terms Sheet comes are, and each Bondholder is, required by CCHL and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Sustainability Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

United States of America

The Sustainability Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (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 CCHL, any Joint Lead Manager nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) in relation to the Sustainability Bonds, and each of CCHL and the Joint Lead Managers have complied and will comply with the offering restrictions requirements of Regulation S.

The Sustainability 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 forty days after the completion of the distribution of all of the Sustainability Bonds, as determined and certified by the Joint Lead Managers, except in accordance with Rule 903 of Regulation S. Any Sustainability 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 Sustainability 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 forty days after the later of the commencement of the offering of the Sustainability 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."

Until forty days after the completion of the distribution of all of the Sustainability Bonds, an offer or sale of the Sustainability Bonds within the United States by the Joint Lead Managers 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.

United Kingdom

Prohibition of Sales to UK Retail Investors

No Sustainability Bonds have been offered and no Sustainability 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 Sustainability Bonds to the public in the United Kingdom:

- to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- 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 relevant Joint Lead Manager for any such offer; or
- in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (**FSMA**),

provided that no such offer of the Sustainability Bonds shall require CCHL or any Joint Lead Manager to publish a prospectus pursuant

to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

The expression **offer of Sustainability Bonds to the public** in relation to any Sustainability Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Sustainability Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Sustainability 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 UK 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 Sustainability Bonds in circumstances in which section 21(1) of the FSMA applies to CCHL.

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

Member States of the European Economic Area

In relation to each Member State of the European Economic Area, no Sustainability Bonds have been offered and no Sustainability 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 Sustainability Bonds to the public in the Member State may be made:

- to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- 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 relevant Joint Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the Sustainability Bonds shall require CCHL or any Joint Lead Manager 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.

The expression **offer of the Sustainability Bonds to the public** in relation to any Sustainability 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 Sustainability Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Sustainability Bonds and the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129 (as amended or superseded) and includes any relevant implementing measure in each Member State.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Sustainability Bonds. The Sustainability

Bonds may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made to admit the Sustainability Bonds to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the Sustainability Bonds constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the Sustainability Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

The Sustainability Bonds do not constitute collective investments within the meaning of the Collective Investment Schemes Act (**CISA**). Accordingly, holders of the Sustainability Bonds do not benefit from protection under the CISA or from the supervision of the Swiss Financial Market Supervisory Authority. Investors are exposed to the default risk of the Issuer.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001) in relation to the Sustainability Bonds (including the Terms Sheet) has been or will be lodged with or registered by the Australian Securities and Investments Commission (**ASIC**) or the Australian Securities Exchange Limited. No person may:

- make or invite (directly or indirectly) an offer of the Sustainability 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
- distribute or publish, any draft, preliminary or final form offering circular or memorandum, advertisement or other offering material relating to the Sustainability Bonds in Australia,

unless:

- the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates);
- the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001;
- such action complies with all applicable laws, regulations and directives (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act 2001);
- 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 2001; and
- such action does not require any document to be lodged with, or registered by, ASIC.

Hong Kong

No Sustainability 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 Sustainability 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 Sustainability 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 Sustainability 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 Sustainability Bonds shall not transfer or resell the Sustainability Bonds except where the transferor transfers or resells all the Sustainability 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 entity organised under the laws of Japan.

Singapore

The Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Sustainability Bonds have not been and will not be offered or sold, or made the subject of an invitation for subscription or purchase nor has the Terms Sheet or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Sustainability Bonds been, nor will it be, circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) 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 (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Sustainability 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 Sustainability 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)(i)(B) 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.

Korea

A registration statement for the offering and sale of the Sustainability Bonds has not been and will not be filed under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Sustainability Bonds may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea) except as otherwise permitted under applicable Korean laws and regulations.

United Arab Emirates (other than the Dubai International Financial Centre and Abu Dhabi Global Market)

The Sustainability Bonds have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (the **UAE**) other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

The Sustainability Bonds will not be offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an **Exempt Offer** in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the **DFSA**) rulebook; and
- (b) made only to persons who meet the **Professional Client** criteria set out in Rule 2.3.3 of the Conduct of Business (COB) Module of the DFSA rulebook.



Abu Dhabi Global Market

The Sustainability Bonds will not be offered to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an **Exempt Offer** in accordance with the Markets Rules (MKT) Module of the Financial Services Regulatory Authority (the **FSRA**) rulebook; and
- (b) made only to persons who meet the **Professional Client** criteria set out in Rule 2.4.1 of the Conduct of Business (COB) Module of the FSRA rulebook.