

30 October 2020

Chorus Ltd (CNU)

The company will hold its Annual Shareholders Meeting **10.30am Friday 6 November 2020**.

You can join the meeting at <https://web.lumiagm.com/> The meeting code is 377-187-840.

Chorus is a provider of telecommunications infrastructure. The company was demerged from Telecom New Zealand in 2011 as a condition of winning the majority of contracts for the Government's Ultra-Fast Broadband Initiative. It is the owner of the majority of telephone lines and exchange equipment and responsible for building approximately 75% of the new fibre optic network. It has received government soft loans of \$929 million to build the new fibre network and it provides wholesale services to retailers.

In November 2019 it completed UFB1 the first stage rollout to 28 major towns and cities. The second stage rollout UFB2 to 150,000 homes and businesses will be completed by the end of 2022. Fixed line connections are 1.4 million down 35,000, broadband connections are 1.2 million with 751,000 fibre connections. Fibre uptake increased from 53% to 60%. Covid-19 impacted services with people working from home. This saw monthly household data usage increase to 313GB from 265GB. Fibre customers averaged 387GB in June up from 341GB. During the lockdown, the company provided \$5 million support to its service companies and their subcontractors.

Operating Revenue was down 1.1% at \$959 million, EBITDA was \$648 million up 1.8% with NPAT at \$52 million down from \$53 million. Dividend was 24 cents per share. The shares are trading at \$8.365 and have traded through a range of \$5.21/\$9.22 over the past year.

Board Composition

The Board comprises an Independent Chair and six Independent Directors. We consider the Board's skill sets to be appropriate for the business.

Resolutions

1. To re-elect Prue Flacks as an Independent Director.

Prue Flacks was appointed to the Board in 2011. She is the Chair of Mercury NZ Ltd and a Director of Bank of New Zealand Ltd. She was formerly a partner at Russell McVeagh.

We will vote undirected proxies **IN FAVOUR** of this resolution.

2. To re-elect Jack Matthews as an Independent Director.

Jack Matthews was appointed to the Board in 2017. He is the chair of MediaWorks, a director of Plexure Group and New Zealand Golf Network. He is a former director of Crown Fibre Holdings.

We will vote undirected proxies **IN FAVOUR** of this resolution.

3. To elect Kate Jorgensen as an Independent Director.

Kate Jorgensen was appointed to the Board 1 July 2020 and is therefore required to offer herself for election. She was previously CFO of Vodafone New Zealand, CFO of KiwiRail, CFO of Fletcher Building's infrastructure division and a senior audit manager for KPMG.

We will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <https://www.investorvote.com.au/Login>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **10.30am Wednesday 4 November 2020.**

Please note you can appoint the Association as your proxy. We will have a representative attending the meeting.

STANDING PROXIES - AUTOMATICALLY APPOINT NZSA AS YOUR PROXY

MAKE YOUR VOTE COUNT!

Details on the NZSA website.

The Team at NZSA