Chorus Limited
Level 10, 1 Willis Street
P O Box 632
Wellington
New Zealand

Email: company.secretary@chorus.co.nz

STOCK EXCHANGE ANNOUNCEMENT

5 March 2019

Small shareholding sale facility

Chorus is today sending the attached notice to eligible New Zealand and Australian shareholders who held less than NZ$1,000 of shares on 1 March 2019.

The notice details the share sale facility to be made available to those holders who wish to have their shares sold in three month's time, free of brokerage costs.

ENDS

For further information:

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Important information: Proposed sale of your less than minimum shareholding in Chorus

Dear shareholder

Recent changes to the NZX Listing Rules mean that NZ$1,000 is now considered a minimum shareholding for Chorus Limited ARBN 152 485 848 (***Chorus***) shares. This notice is to notify you that our records show you hold less than NZ$1,000[1] of Chorus shares at 1 March 2019. The number of shares you hold is shown in the attached Minimum Holding Retention Form.

Chorus' listing, through a demerger process in 2011, means we have a large number of shareholders with small shareholdings. In 2016 we provided shareholders with less than the then minimum of 100 shares a facility to sell their shares with no brokerage fees. The very high uptake of that offer, as well as feedback from shareholders with slightly larger holdings who wished to participate, has encouraged the Chorus Board to provide the facility again for Australian and New Zealand shareholders below the new minimum shareholding level of $1,000.

In accordance with Chorus' constitution and the NZX Listing Rules, Chorus intends to sell your shares on your behalf if, by 5pm on 7 June 2019, you have not advised Computershare that you wish to retain your Chorus shares and the value of your holding remains below NZ$1,000[1]. The sale of the shares is expected to take place as soon as practicable after this date. There is **no cost of brokerage** for participating in this sale facility and Chorus will pay the proceeds to you.

Option 1: Do nothing and Chorus will sell your shares on your behalf

If you do <u>not</u> take any action by 7 June 2019 and the value of your shares remains below NZ$1,000, Chorus will instruct a broker to sell your shares on your behalf through the NZX.[2] The price that you receive for your shares will be the average price of all shares sold through the sale facility.

You will receive the proceeds from your shareholding as soon as practicable after the sale of your shares. The proceeds will be deposited into the bank account Computershare has on record for you. You should therefore ensure these details are up to date. If no bank account is recorded you will receive your payment by cheque.

Any tax consequences from the sale of your shares will be your responsibility.

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[1] The calculation used will be as required under the NZX Listing Rules and be the lesser of the volume weighted average sale price across either the five or 20 days of trading of Chorus shares on the NZX immediately prior.

[2] If your shares are in an ASX CHESS holding, Chorus may move your shares from the CHESS holding to an issuer sponsored holding for the purpose of the sale facility.

Option 2: Increase your shareholding by 7 June 2019

You may choose to increase your holding to, or above, the NZ$1,000 threshold by purchasing additional Chorus shares. Chorus is not providing a facility for this and you may have to pay applicable brokerage fees. **The transaction would need to be settled prior to 5pm 7 June 2019** and be registered in the same holding as your existing shares. If your shareholding meets the NZ$1,000 threshold by 5pm on 7 June 2019 your shares will not be sold.

Participation in Chorus' Dividend Reinvestment Plan may also assist some shareholders in meeting the threshold if your holding is already close to NZ$1,000 in value. You will need to have registered for the Dividend Reinvestment Plan before 5pm (New Zealand time) on 20 March 2019.

Option 3: Notify Computershare if you wish to retain your shares

If you wish to retain your existing holding of Chorus shares, you must complete and return the enclosed Minimum Holding Retention Form, so that it is received by Computershare **by 5pm on 7 June 2019**.

Chorus may, before a sale is effected under the sale facility, revoke a notice given or suspend or terminate the operation of this facility, either generally or in specific cases. Chorus reserves the right to change any of the dates referred to in this information by notice to the NZX and ASX.

If you are in doubt, or if you require information regarding the possible taxation implications from participation in the sale facility, please consult your legal, financial or taxation advisor.

If you require further information about your shareholding, please contact Computershare:

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AUSTRALIA
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GPO Box 3329
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FP: 1 800 501 366
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W: investorcentre.com/nz

Additional information on the share sale process

The share sale facility is established and operated in accordance with the Constitution of Chorus, the NZX Listing Rules and ASIC Corporations (Share and Interest Sale Facilities) Instrument 2018/99.

Chorus' constitution provides that where the Board has authorised the sale of a less than minimum holding in accordance with the provisions of the Constitution, the shareholder is deemed to have authorised the Company to act on behalf of the shareholder and to sign all necessary documents relating to the sale.

The market price of Chorus shares is subject to change from time to time.

Up to date information on the market price of Chorus shares can be obtained from a share broker or by visiting the website of the NZX at www.nzx.com or the ASX at www.asx.com.au.

This information does not constitute advice or a recommendation to buy, sell or hold shares, or that the sale facility is the best way to sell Chorus shares. If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

Frequently Asked Questions

1. Is there a cost for participating in the sale process?

You will not be required to pay for any brokerage fees or charges relating to the sale of your shares. These costs will be paid by Chorus.

2. What price will I receive for shares sold under the sale facility?

All shares to be sold through the sale facility will be pooled and sold by a broker on the NZX in the ordinary course of trading as soon as practicable after 7 June 2019. The price that you receive for your shares under the sale facility will be the average price of all shares sold through the sale facility.

This price will depend on a number of factors, including market conditions at the time, and you will not have control over the time at which your shares are sold. The price you receive may be different from the price appearing in the newspaper or quoted by ASX or NZX on any day, and may not be the best price on the day that your shares are sold. It may be more or less than the actual price that is received by the broker for the sale of your shares.

You will receive payment in New Zealand dollars or Australian dollars, in the same manner you receive your dividend payments.

The exchange rate used for Australian holdings (as applicable) will be determined by Chorus as close as practicable to the payment date.

3. When will I receive the proceeds from the sale of my shares?

You will receive the sale proceeds as soon as practicable after the shares have been sold. You should ensure your bank account details held by Computershare are up to date. If no bank account is recorded, you will be mailed the proceeds of the sale of your shares by cheque.

Computershare will notify you, by way of a Securities Transaction Statement if you held shares on the New Zealand Register, or an Issuer Sponsored Statement if you held shares on the Australian Register, with details of the number of shares sold. You will also receive a payment advice with the sale price and the sale proceeds.

4. If I buy more shares, will I retain my holding?

Yes, if you purchase sufficient additional shares to ensure you no longer hold less than NZ$1,000 in shares by 5pm on 7 June 2019 and they are registered in the same holding as your current holding.

5. How will Chorus determine the NZ$1,000 threshold?

A volume weighted average price will be used to identify holdings that qualify as being below the NZ$1,000 minimum shareholding threshold. The calculation used will be as required under the NZX Listing Rules and be the lesser of the volume weighted average sale price across the five days of trading of Chorus shares on the NZX, and the 20 days of trading of Chorus shares on the NZX, in the days immediately preceding the time of calculation (scheduled for 10 June 2019).

6. Can I sell some, but not all, of my shares?

No. If you want to use the sale facility, you must sell all of the Chorus shares in the holding referred to on your form.

7. What if I have Chorus shares under multiple holdings?

If a shareholder is registered for more than one holding of shares and each such holding is less than NZ$1,000 in value, Chorus may treat the shareholder as a separate shareholder for each of those parcels so that this sale facility operates as if each holding is held by different persons.

To avoid the sale of these small holdings you will need to either contact Computershare to combine them into a holding that meets the NZ$1,000 share threshold by 5pm on 7 June 2019, or return the Minimum Holding Retention Form by the required date.

8. What do I need to do if my shares are held in a joint holding?

In accordance with clause 29.7 of Chorus' Constitution, a notice may be given by Chorus to the joint holder first named in the register in respect of the share(s). The proceeds remitted from the sale under the sale facility shall be in favour of all joint holders.

9. What if I hold my Chorus shares in an ASX CHESS sponsored holding?

You can still participate in the sale facility if you hold shares in an ASX CHESS sponsored holding. If you take no action in relation to your shares and you continue to hold less than NZ$1,000 in shares after 7 June 2019, (without further notice and in accordance with ASX Settlement Operating Rule 5.12.2) those shares will be removed to an issuer sponsored holding and sold under the sale facility.

CHORUS LIMITED

MINIMUM HOLDING RETENTION FORM

Name and address

Shareholder Number CSN/SRN/HIN

Number of shares held as at 1 March 2019

Only complete this form if you **DO NOT** want your Chorus Limited ("Chorus") shares to be sold under Chorus' share sale facility.

Your Retention Form must be received by Computershare by 5pm, Friday 7 June 2019.

I/We wish to continue to hold less than NZ$1,000 of Chorus shares.

Dated and executed the day of 2019

FOR AN INDIVIDUAL/ATTORNEY AND JOINT SHAREHOLDERS	FOR A COMPANY
Your signature(s)	Director/Duly authorised signatory
Your signature(s)	Director/Duly authorised signatory

Contact Details: Please provide your contact details below.

Contact Name: ____________ Telephone (Mobile) ____________ Daytime Number ____________

Email Address: ____________

INSTRUCTIONS FOR COMPLETION OF THIS MINIMUM HOLDING RETENTION FORM

- Notification by a shareholder that is a company must be signed on behalf of the company by a person/persons duly authorised for that purpose.
- Joint shareholders must all sign the Minimum Holding Retention Form.
- This Minimum Holding Retention Form may be executed by an attorney, in which case the relevant Power of Attorney, if it has not already been noted by Computershare, must accompany this Form and the certificate printed overleaf must be completed. If the Power of Attorney has been noted by Computershare, please state this under the signature of the attorney.
- When completed, send this Minimum Holding Retention Form to Computershare (details below). The signed Minimum Holding Retention Form must be received by Computershare **by 5pm, Friday 7 June 2019**. **Please allow sufficient time for posting/delivery.**

New Zealand
Computershare Investor Services Limited
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New Zealand
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Takapuna,
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Fax: +64 9 488 8787
Email: chorus@computershare.co.nz

Australia
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Australia
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CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY/AGENT		
Please complete the following if you are acting on behalf of someone for whom you hold Power of Attorney/Agent.		
Select representation: Power of Attorney [ ] Agent [ ]		
I,	(Name of Attorney/Agent)	
of,	(Address and Occupation of Attorney/Agent)	
HEREBY CERTIFY THAT:		
1. As Attorney/Agent of under a deed/agreement dated (dd/mm/yy) given to me by him/her/them.		
2. I have executed the application to continue to hold Chorus shares as Attorney/Agent pursuant to the powers conferred on me by that Power of Attorney/Agreement.		
3. At the date of this certificate I have not received any notice or information of the revocation of that appointment, whether by the death or dissolution of the donor or otherwise. Signed at this day of 2019 Signature of Attorney/Agent		