

7.5 Year Fixed Rate Bond
Maturing 17 December 2031



Indicative Terms Sheet

For the offer of Infrastructure Bonds



Arranger and Joint Lead Manager



Joint Lead Managers



Indicative Terms Sheet

Dated 27 May 2024

This Indicative Terms Sheet ("**Terms Sheet**") sets out the key terms of the offer ("**Offer**") by Infratil Limited ("**Infratil**") of fixed rate bonds maturing on 17 December 2031 ("**Infrastructure Bonds**"). The Offer is comprised of a Firm Offer of up to \$75,000,000 (with the ability to accept oversubscriptions at Infratil's discretion) of Infrastructure Bonds and an Exchange Offer of up to \$56,117,000 of Infrastructure Bonds under which all current holders of the IFT230 bonds maturing on 15 June 2024 will have the opportunity to exchange some or all of their maturing bonds for Infrastructure Bonds.

The Infrastructure Bonds will be issued under the programme trust deed dated 11 November 1999 (as amended or amended and restated from time to time) between Infratil and Trustees Executors Limited as supplemented by a series supplement dated 27 May 2024 (together, "**Trust Deed**"). Unless the context requires otherwise, capitalised terms used in this Terms Sheet have the same meaning given to them in the Trust Deed. This Terms Sheet is an "Issue Flyer" for the purposes of the Trust Deed.

Important Notice

The Offer by Infratil 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 Infrastructure Bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as:

- Infratil's fixed rate bonds maturing on 15 June 2024, which have an interest rate of 5.50% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT230;
- Infratil's fixed rate bonds maturing on 15 December 2024, which have an interest rate of 4.75% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT260;

- Infratil's fixed rate bonds maturing on 15 June 2025, which have an interest rate of 6.15% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT250;
- Infratil's fixed rate bonds maturing on 15 March 2026, which have an interest rate of 3.35% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT300;
- Infratil's fixed rate bonds maturing on 15 December 2026, which have an interest rate of 3.35% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT280;
- Infratil's fixed rate bonds maturing on 15 December 2027, which have an interest rate of 3.60% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT310;
- Infratil's bonds maturing on 15 December 2028, which have an interest rate of 6.78% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT270;
- Infratil's fixed rate bonds maturing on 31 July 2029, which have an interest rate of 6.90% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT330;
- Infratil's bonds maturing on 15 December 2029, which have a current interest rate of 7.78% per annum (further rate reset on 15 December 2024 and annually thereafter) and which are currently quoted on the NZX Debt Market under the ticker code IFTHC;
- Infratil's fixed rate bonds maturing on 15 June 2030, which have a current interest rate of 5.93% per annum (rate reset on 15 June 2026) and which are currently quoted on the NZX Debt Market under the ticker code IFT320; and
- Infratil's fixed rate bonds maturing on 15 March 2031, which have an interest rate of 7.08% per annum and which are currently quoted on the NZX Debt Market under the ticker code IFT340,

(together the "**Quoted Bonds**").

Accordingly, the Infrastructure Bonds are the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Infratil 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/IFT.

The Quoted Bonds are the only debt securities of Infratil that are currently quoted and in the same class as the Infrastructure Bonds that are being offered.

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

Infratil has the right in its absolute discretion and without notice to close the Firm Offer and/or Exchange Offer early, to add additional Issue Dates, to extend the Firm Offer Closing Date and/or Exchange Offer Closing Date, or to choose not to proceed with the Offer.



Eastern Creek data centre

Key Terms of the Infrastructure Bonds

Issuer:	Infratil Limited.
Description:	Infrastructure Bonds are unsecured, unsubordinated debt securities of Infratil to be issued pursuant to the Trust Deed.
Firm Offer and Exchange Offer:	<p>The Offer consists of two separate parts.</p> <p>Under the first part ("Firm Offer"), Infratil is offering Infrastructure Bonds to New Zealand clients of the Joint Lead Managers, approved financial intermediaries and other primary market participants invited to participate in the bookbuild.</p> <p>Under the second part ("Exchange Offer"), Infratil is offering New Zealand resident holders of its IFT230 fixed rate bonds maturing on 15 June 2024 ("2024 Bonds") the opportunity to exchange all or some of their 2024 Bonds for Infrastructure Bonds offered under this Terms Sheet. You will receive one new Infrastructure Bond for each 2024 Bond exchanged under the Exchange Offer. Once you submit a completed application for the Exchange Offer you will no longer be able to sell or otherwise transfer your 2024 Bonds designated in that application.</p> <p>There is no public pool for Infrastructure Bonds under the Offer.</p> <p>See "How to Apply" on page 9 of this Terms Sheet.</p>
Use of Proceeds:	Infratil will use the proceeds of the Offer for general corporate purposes, including to refinance the 2024 Bonds.

Terms Particular to the Firm Offer

Firm Offer Amount:	The Firm Offer is for up to \$75,000,000 of Infrastructure Bonds, with the ability to accept oversubscriptions at Infratil's discretion.
Firm Offer Applications:	The Firm Offer is open to all New Zealand resident investors, but only if the investor receives a firm allocation from a Joint Lead Manager, approved financial intermediary or other primary market participant invited to participate in the bookbuild.
Firm Offer Opening Date:	27 May 2024
Firm Offer Closing Date:	11.00am, 30 May 2024

Terms Particular to the Exchange Offer

Exchange Offer Amount:	The Exchange Offer is for up to \$56,117,000 of Infrastructure Bonds (being the total face value of 2024 Bonds outstanding). No oversubscriptions will be accepted under the Exchange Offer.
Exchange Offer Applications:	The Exchange Offer is fully reserved for New Zealand resident holders of the 2024 Bonds. Infratil will issue one Infrastructure Bond for each 2024 Bond exchanged.
Exchange Offer Opening Date:	31 May 2024
Exchange Offer Closing Date:	5.00pm, 12 June 2024

Terms Common to the Firm Offer and the Exchange Offer

Rate Set Date:	30 May 2024
Issue Date:	17 June 2024

Expected Date of Initial Quotation on the NZX Debt Market:	18 June 2024
Maturity Date:	17 December 2031
Interest Rate:	<p>The Infrastructure Bonds will pay a fixed rate of interest.</p> <p>The Interest Rate will be the greater of:</p> <p>(a) the sum of the Issue Margin and the Base Rate determined on the Rate Set Date; and</p> <p>(b) the Minimum Interest Rate.</p> <p>The Interest Rate will be announced by Infratil via NZX and available on Infratil's website www.infratil.com/for-investors/our-bonds on or shortly after the Rate Set Date.</p>
Minimum Interest Rate:	6.75% per annum
Issue Margin:	<p>The Issue Margin will be determined by Infratil in consultation with the Joint Lead Managers (identified on page 11) on the Rate Set Date following completion of the bookbuild process for the Firm Offer and will be announced via NZX and available on Infratil's website www.infratil.com/for-investors/our-bonds shortly thereafter.</p>
Indicative Issue Margin:	<p>The indicative Issue Margin range is 2.40% to 2.50% per annum. The actual Issue Margin may be above, within or below the indicative range.</p>
Base Rate:	<p>The mid-market rate for a New Zealand dollar interest rate swap of a term matching the period from the Issue Date to the Maturity Date as determined by Infratil in consultation with the Arranger (identified on page 11) on the Rate Set Date in accordance with market convention with reference to Bloomberg page ICNZ4 (or any successor page), in each case expressed on a quarterly basis (and rounded to 2 decimal places, if necessary, with 0.005 being rounded up).</p>
Interest Payment Dates:	<p>17 March, 17 June, 17 September and 17 December of each year until and including the Maturity Date (commencing on 17 June 2024).</p>
Interest Payments:	<p>Other than for the first Interest Payment Date, Infratil will pay interest in arrear in equal amounts on each Interest Payment Date and will be paid to the Holder of the Infrastructure Bond on the Record Date for each Interest Payment Date.</p> <p>Interest payable on each Infrastructure Bond on the first Interest Payment Date will accrue at the Interest Rate from (and including) the date on which your subscription moneys have been banked into the trust account operated in respect of the Offer to (but excluding) the first Interest Payment Date. The first Interest Payment Date is 17 June 2024 which is the same date as the Issue Date.</p> <p>For Infrastructure Bonds allotted under the Firm Offer, no interest will have accrued on the first Interest Payment Date and no interest will be payable on that date.</p> <p>For Infrastructure Bonds allotted under the Exchange Offer, the redemption proceeds of the 2024 Bonds will be banked into the trust account operated in respect of the Offer on 14 June 2024 (the business day immediately preceding 15 June 2024) and interest on those Infrastructure Bonds will accrue at the Interest Rate from that date and be payable on the first Interest Payment Date (17 June 2024). The interest payment will be paid to the original subscriber for the relevant Infrastructure Bonds.</p> <p>In addition, if the Infrastructure Bonds are redeemed on a day that is not an Interest Payment Date (see "Right to Redeem Early" and "Early Redemption Events" on page 6), the amount of interest that will be payable to you will be adjusted to reflect the number of days in the interest period in which the interest accrued.</p>

Interest Suspension and Dividend Stopper:	<p>Infratil may suspend the payment of interest where an Interest Suspension Event exists. If the payment of interest is suspended:</p> <ul style="list-style-type: none">(a) interest will continue to accrue (without compounding) and will be paid by Infratil when the Interest Suspension Event ceases to exist; and(b) Infratil will not pay or make any distribution to shareholders or provide any financial assistance for the acquisition of shares in Infratil.
Interest Suspension Events:	<p>In summary, an Interest Suspension Event may occur if:</p> <ul style="list-style-type: none">(a) the interest payment would be likely to breach the solvency test in section 4 of the Companies Act 1993;(b) the interest payment would be likely to result in a breach of the terms or conditions of other financial indebtedness incurred by Infratil or certain of its subsidiaries; or(c) the interest payment would be likely to result in a breach of any other legal obligation by Infratil or certain of its subsidiaries.
Right to Redeem Early:	<p>Infratil has the right to redeem all or some of the Infrastructure Bonds prior to the Maturity Date by giving you no less than 5 Business Days' notice. Infratil may not exercise this right if:</p> <ul style="list-style-type: none">(a) the Supervisor has declared the Infrastructure Bonds due and payable because an event of default as described in clause 8.1 of the Trust Deed exists; or(b) the notice of early redemption is given at a time on or after the day falling 25 Business Days before the Maturity Date. <p>You have no right of early redemption except following an Early Redemption Event.</p>
Redemption Price:	<p>Redemption on the Maturity Date or following an Early Redemption Event</p> <p>Each Infrastructure Bond redeemed on the Maturity Date, or earlier following an Early Redemption Event, will be redeemed at an amount equal to its Face Value less all withholding tax or deductions required to be made.</p> <p>Early Redemption</p> <p>If an Infrastructure Bond is redeemed early due to Infratil exercising its right to redeem early, it will be redeemed at an amount equal to the greater of:</p> <ul style="list-style-type: none">(a) its Face Value plus accrued but unpaid interest; and(b) the current market price of the Infrastructure Bonds (determined in accordance with clause 6.1(l)(ii) of the Trust Deed), <p>in each case less all withholdings or deductions required to be made.</p>
Early Redemption Events:	<p>In summary, an Early Redemption Event may occur if:</p> <ul style="list-style-type: none">(a) an event of default as described in clause 8.1 of the Trust Deed occurs; or(b) certain takeover offers are made in respect of the shares in Infratil. <p>In general terms, the events of default include non-payment for 14 days or more and the occurrence of certain insolvency related events in relation to Infratil.</p>
Liabilities to Assets Covenant:	<p>Infratil has agreed for the benefit of Holders that, on the last day of each financial year and financial half-year of Infratil (and in certain other circumstances), Borrowed Money Indebtedness of the Issuer Group (being Infratil and certain of its 100% owned subsidiaries) will not exceed 50% of Tangible Assets of Infratil and its subsidiaries as at that date.</p>

Ranking of Infrastructure Bonds:

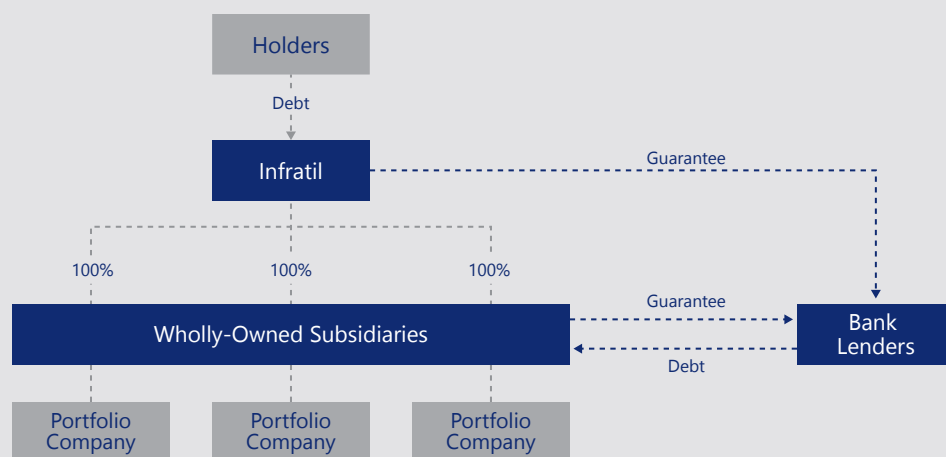
The Infrastructure Bonds are unsecured and unsubordinated debt obligations of Infratil. This means that in a liquidation of Infratil your rights and claims as a Holder:

- (a) will rank **after** the claims of (i) secured creditors of Infratil (if any), and (ii) creditors of Infratil who are preferred by law (e.g. the Inland Revenue Department in respect of unpaid tax);
- (b) will rank **equally** with the claims of all other unsecured, unsubordinated creditors of Infratil; and
- (c) will rank in **priority** to the claims of (i) subordinated creditors of Infratil (if any) (being creditors who have agreed to accept a lower priority in respect of their claims in a liquidation of Infratil), and (ii) shareholders.

Infratil is a holding company with investments in various companies. **Holders have no claims against, or recourse to the assets of, any of those companies.** Infratil's ability to make timely payments on the Infrastructure Bonds is dependent on the returns it receives from its investments, its capital structure and the quality of its management.

In a liquidation of the Infratil group, creditors of Infratil's subsidiaries and associates (including lenders) would have to be paid out in full before the distribution of any residual assets to Infratil's liquidator (claiming as shareholder in the companies). Only these residual assets would be available to Infratil's liquidator and therefore Infratil's creditors (including Holders).

As an example of this, the diagram below illustrates the position of Holders relative to the banks which provide loan facilities to Infratil's Wholly-Owned Subsidiaries.



As illustrated in the diagram above, Infratil has a range of Wholly-Owned Subsidiaries which hold Infratil's investments in its Portfolio Companies. The bank lenders who provide loan facilities to the Wholly-Owned Subsidiaries have direct claims on both Infratil and those Wholly-Owned Subsidiaries. Holders have a claim on Infratil, but have no claims against, or recourse to, the assets of the Wholly-Owned Subsidiaries or the Portfolio Companies. This means that in a liquidation of the Infratil group:

- all creditors of each Portfolio Company (including any lenders) would have to be paid in full before any residual assets could be distributed to the relevant Wholly-Owned Subsidiary;
- all creditors of each Wholly-Owned Subsidiary (including the bank lenders) would have to be paid in full before any residual assets could be distributed to Infratil; and
- therefore, only the residual assets of the Portfolio Companies and Wholly-Owned Subsidiaries, after the claims of all of their creditors have been satisfied in full, would be available to Infratil's liquidator and therefore Infratil's creditors (including Holders).

Infratil is also subject to other restrictions in its bank loan facilities that limit the value of cash and other assets it may hold (other than shares and other securities held in, or loans to, the Wholly-Owned Subsidiaries).

No Guarantee:	The Infrastructure Bonds are not guaranteed by any member of the Infratil group or any other person.
Issue Price:	<p>\$1.00 per Infrastructure Bond (being the Face Value).</p> <p>Under the Exchange Offer, redemption proceeds of the 2024 Bonds banked into the trust account operated in respect of the Offer will be treated as subscription money for Infrastructure Bonds allocated under the Exchange Offer, no additional subscription moneys are payable by a Holder.</p>
Minimum Application Amount:	Infrastructure Bonds having a Face Value of \$5,000 and multiples having a Face Value of \$1,000 thereafter (unless a holder of 2024 Bonds is exchanging all of their 2024 Bonds).
ISIN:	NZIFTD0350L5
Business Day:	A day on which NZX is open for trading. If any Interest Payment Date or the Maturity Date falls on a day that is not a Business Day, the due date for the payment to be made on that date will be on the immediately preceding Business Day, but the amount paid will not be adjusted.
Registrar and Paying Agent:	Link Market Services Limited
Who May Apply:	<p>Firm Offer</p> <p>All Infrastructure Bonds offered under the Firm Offer are reserved for the clients of the Joint Lead Managers, approved financial intermediaries and other primary market participants invited to participate in the bookbuild, who are New Zealand residents. There is no public pool for Infrastructure Bonds for the Offer.</p> <p>Exchange Offer</p> <p>All Infrastructure Bonds exchanged or offered under the Exchange Offer are reserved to registered holders of a 2024 Bond who are New Zealand residents.</p>

How to Apply:

Firm Offer

Investors wanting to participate in the Firm Offer should contact a Joint Lead Manager, their financial adviser or any primary market participant for information on how they may acquire Infrastructure Bonds. You can find a primary market participant by visiting www.nzx.com/services/market-participants.

The Joint Lead Manager, primary market participant or your financial adviser will be able to explain what arrangements will need to be put in place for you to trade the Infrastructure 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.

Exchange Offer

Holders of 2024 Bonds have the option to participate in the Exchange Offer by using an online or printed application form.

If you have provided an email address for investor correspondence, you will receive an email on the Firm Offer Opening Date with an email link. The email link will take you to a Registrar website where you will receive information on how to apply for Infrastructure Bonds in the Exchange Offer using the online application form.

You will be able to apply using the online application form at www.infratilbondexchangeoffer.com from the Exchange Offer Opening Date. You must complete the online application form by no later than 5.00pm on the Exchange Offer Closing Date.

If you have not provided an email address for investor correspondence, you will be mailed this Terms Sheet along with a printed application form to your registered postal address.

If you use a printed application form under the Exchange Offer, you must return a completed printed application form so that it is received by the Registrar at the address below no later than 5.00pm on the Exchange Offer Closing Date:

Link Market Services Limited

email a completed PDF copy to: applications@linkmarketservices.co.nz

or post a printed application form to: Infratil Bond Offer, c/- Link Market Services Limited, PO Box 91976, Victoria Street West, Auckland 1142

or deliver a printed application form to: c/- Link Market Services Limited, Level 30, PwC Tower, 15 Customs Street West, Auckland 1010

Once you submit a completed Exchange Offer application (online or through a printed application form) you will no longer be able to sell or otherwise transfer your 2024 Bonds designated in that application.

Applications may be refused

In relation to the Firm Offer, Infratil reserves the right to refuse any application or to accept an application in part only, without providing a reason. If Infratil refuses any application under the Exchange Offer due to the applicant being ineligible the 2024 Bonds that are not being exchanged will be redeemed on their maturity date in accordance with their existing terms and conditions.

Brokerage:	Infratil will pay a firm brokerage fee of 1.00% of the aggregate principal amount of Infrastructure Bonds (such fee comprised of a brokerage fee of 0.50% and a firm allocation fee of 0.50%). Such amounts will be paid to the Arranger who will distribute as appropriate to primary market participants and approved financial intermediaries.
NZX Debt Market Quotation:	<p>Infratil will take any necessary steps to ensure that the Infrastructure Bonds are, immediately after issue, quoted.</p> <p>NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMCA.</p>
NZX Debt Market Ticker Code:	IFT350
Supervisor:	Trustees Executors Limited
Governing Law:	New Zealand
No Underwriting:	The Offer is not underwritten.
Offer in New Zealand only:	<p>The Infrastructure Bonds may only be offered for sale or sold in New Zealand. Infratil has not and will not take any action which would permit a public offering of the Infrastructure Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). Infrastructure Bonds may only be offered for sale or sold in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. Any information memorandum, terms sheet, circular, advertisement or other offering material in respect of the Infrastructure Bonds may only be published, delivered or distributed in or from any country or jurisdiction under circumstances which will result in compliance with all applicable laws and regulations.</p> <p>By subscribing for Infrastructure Bonds, you agree to indemnify Infratil, the Joint Lead Managers and the Supervisor in respect of any loss incurred as a result of you breaching the above selling restrictions.</p> <p>The above selling restrictions apply in relation to both the Firm Offer and the Exchange Offer.</p>
Non-reliance:	<p>This Terms Sheet does not constitute a recommendation by the Joint Lead Managers, the Supervisor, or any of their respective directors, officers, employees, agents or advisers to subscribe for, or purchase, any of the Infrastructure Bonds.</p> <p>The Joint Lead Managers and the Supervisor have not independently verified the information contained in this Terms Sheet. In accepting delivery of this Terms Sheet, you acknowledge that none of the Joint Lead Managers, the Supervisor nor their respective directors, officers, employees, agents or advisers gives any warranty or representation of accuracy or reliability and they take no responsibility for it.</p>

The dates set out in this Terms Sheet are indicative only and Infratil may change the dates set out in this Terms Sheet. Infratil has the right in its absolute discretion to close the Firm Offer and/or Exchange Offer early, to add additional Issue Dates, to extend the Firm Offer Closing Date and/or Exchange Offer Closing Date, to increase the amount of oversubscriptions, or to choose not to proceed with the Offer. Infratil will announce any changes to the dates set out in this Terms Sheet via NZX as soon as practicable.

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

Copies of the Trust Deed are available by visiting www.infratil.com/for-investors/our-bonds or you may request a copy from:

Infratil Limited

5 Market Lane
Wellington
Attention: Tom Robertson
or

Trustees Executors Limited

Level 11, 51 Shortland Street
Auckland
Attention: David Shaw

Investors should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances. Investors will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to them (including any required registrations).

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

Directory

Issuer

Infratil Limited

5 Market Lane
PO Box 320
Wellington 6140
Telephone 04 473 3663

Supervisor

Trustees Executors Limited

Level 11, 51 Shortland Street
Auckland 1010
Telephone 09 308 7100

Registrar

Link Market Services Limited

Level 30, PwC Tower
15 Customs Street West
Auckland 1010
PO Box 91976
Auckland 1142

Arranger

Bank of New Zealand

Level 6, 80 Queen Street
Auckland 1010
Telephone 0800 284 017

Joint Lead Managers

ANZ Bank New Zealand Limited

Level 10, 171 Featherston Street
PO Box 540
Wellington 6011

Bank of New Zealand

Level 6, 80 Queen Street
Auckland 1010
Telephone 0800 284 017

Craigs Investment Partners Limited

Level 32, Vero Centre
48 Shortland Street
Auckland 1010
Telephone 0800 226 263

Forsyth Barr Limited

Level 23, Shortland & Fort
88 Shortland Street
Auckland 1010
Telephone 0800 367 227

Jarden Securities Limited

Level 14, 171 Featherston Street
Wellington 6011
Telephone 0800 005 678