

INDICATIVE

TERMS SHEET

6.5 year fixed rate bonds
maturing on 4 September 2030

WELLINGTON
AIRPORT

Joint Lead Managers



➤ **INDICATIVE TERMS SHEET**

This indicative terms sheet (“**Indicative Terms Sheet**”) sets out the key terms of the offer (“**Offer**”) by Wellington International Airport Limited (“**WIA**”) of up to NZ\$75,000,000 (with the ability to accept oversubscriptions of up to an additional NZ\$25,000,000 at WIA’s discretion) of unsecured, unsubordinated 6.5 year fixed rate bonds maturing on 4 September 2030 (“**September 2030 Bonds**”). The September 2030 Bonds are offered under WIA’s master trust deed dated 1 December 2008 (as amended and/or restated from time to time) (“**Trust Deed**”) as modified and supplemented by the supplemental trust deed dated 20 February 2024 (“**Supplemental Trust Deed**”) (together, “**Trust Documents**”) entered into between WIA and Trustees Executors Limited (“**Supervisor**”). Unless the context otherwise requires, capitalised terms used in this Indicative Terms Sheet have the same meaning given to them in the Trust Documents.

Important Notice

The offer of debt securities by WIA 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 Indicative Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as:

- WIA’s bonds maturing on 5 August 2024, which have a fixed interest rate of 4.00% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA040;
- WIA’s bonds maturing on 16 June 2025, which have a fixed interest rate of 5.00% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA050;
- WIA’s bonds maturing on 1 April 2030, which have a fixed interest rate until 1 April 2025 of 4.00% per annum (and will then reset until the maturity date) and are currently quoted on the NZX Debt Market under the ticker code WIA060;
- WIA’s bonds maturing on 14 August 2026, which have a fixed interest rate of 2.50% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA070;
- WIA’s bonds maturing on 24 September 2031, which have a fixed interest rate until 24 September 2026 of 3.32% per annum (and will then reset until the maturity date) and are currently quoted on the NZX Debt Market under the ticker code WIA080; and
- WIA’s bonds maturing on 24 August 2028, which have a fixed interest rate of 5.78% per annum and are currently quoted on the NZX Debt Market under the ticker code WIA090,

(together the “**Existing Bonds**”).

Accordingly, the September 2030 Bonds are the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

WIA 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/WIA.

The Existing Bonds are the only debt securities of WIA that are currently quoted and in the same class as the September 2030 Bonds.

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

Important Information

Investors should read the Important Information on page 5.

➤ **KEY TERMS OF THE SEPTEMBER 2030 BONDS**

Issuer	Wellington International Airport Limited (“ WIA ”)		
Description	The September 2030 Bonds are unsecured, unsubordinated, 6.5 year fixed rate interest bearing debt obligations of WIA.		
Guarantee	The obligations of WIA with respect to the September 2030 Bonds are guaranteed by the Guaranteeing Group Members under the Trust Deed. The Guarantee is an unsecured, unsubordinated obligation of each Guaranteeing Group Member. Currently Wellington Airport Noise Treatment Limited and Whare Manaakitanga Limited are the only Guaranteeing Group Members (in addition to WIA).		
Purpose	WIA intends to use the proceeds of the Offer to refinance its NZ\$60,000,000 bond maturing on 5 August 2024, and for general corporate purposes.		
Credit Ratings	Issuer Credit Rating	Expected Issue Credit Rating	
	S&P Global Ratings	BBB (stable outlook)	BBB
	A rating is not a recommendation by any rating organisation to buy, sell or hold September 2030 Bonds. The above issuer credit rating is current as at the date of this Indicative Terms Sheet and is subject to suspension, revision or withdrawal at any time by S&P Global Ratings.		
Issue Amount	WIA is offering up to NZ\$75,000,000 of September 2030 Bonds with the ability to accept oversubscriptions of up to an additional NZ\$25,000,000 at WIA’s discretion. The Offer is not underwritten.		
Opening Date	Tuesday, 20 February 2024		
Closing Date	11am, Friday, 23 February 2024. The Offer can be closed early at WIA’s sole discretion.		
Rate Set Date	Friday, 23 February 2024		
Issue Date and Allotment Date	Monday, 4 March 2024		
Maturity Date	Wednesday, 4 September 2030		
Interest Rate	To be determined by WIA in consultation with the Joint Lead Managers following the bookbuild held on the Rate Set Date (23 February 2024). The Interest Rate will be announced by WIA via NZX on or shortly after the Rate Set Date. The Interest Rate will not change over the term of the September 2030 Bonds, except as described below. The Interest Rate will be equal to the sum of the Base Rate and the Issue Margin but in any case will be no less than the minimum Interest Rate of 5.80% per annum.		
Change to Interest Rate	If on any Test Date (semi annual), Total Interest Bearing Debt exceeds 60% of Total Tangible Assets, then the Interest Rate for the next Interest Period shall increase by 0.50% per annum over the original Interest Rate.		
Indicative Issue Margin	1.35 – 1.50% per annum		
Issue Margin	The Issue Margin for the September 2030 Bonds (which may be above or below the Indicative Issue Margin) will be determined by WIA in consultation with the Joint Lead Managers following completion of the bookbuild process and announced by WIA via NZX on or about the Rate Set Date.		
Base Rate	The mid-market rate for an NZD interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with WIA, according to market convention, with reference to Bloomberg page “ICNZ4” (or any successor page) on the Rate Set Date and rounded to 2 decimal places, if necessary, with 0.005 being rounded up.		
Interest Payment Dates and Interest Periods	Interest will accrue from the Issue Date and will be payable semi-annually in arrear in equal amounts on 4 March and 4 September of each year up to and including the Maturity Date. The first Interest Payment Date will be 4 September 2024. If an Interest Payment Date is not a Business Day, the due date for the payment to be made on that date will be the next following Business Day and no adjustment will be made to the amount payable as a result of the delay in payment. Each Interest Period in respect of an Interest Payment Date is the period from, and including, the preceding Interest Payment Date (or the Issue Date) to, but excluding, that next following Interest Payment Date.		

Business Day	A day (other than a Saturday or Sunday) on which banks are generally open for banking business in Wellington and Auckland.
Early Redemption	<p>WIA may elect to redeem some or all of the September 2030 Bonds by giving written notice to the Supervisor and the Holders of the September 2030 Bonds no later than five Business Days prior to any Record Date. Such notice must be given at a date not less than 25 Business Days before the Maturity Date. On early redemption, WIA will pay to Holders of the September 2030 Bonds the greater of:</p> <ol style="list-style-type: none"> the Principal Amount plus accrued interest for the period from, and including, the preceding Interest Payment Date to, but excluding, the redemption date (less any withholding taxes and other deductions); and the average price, weighted by volume, of all trades of September 2030 Bonds through NZX over the 10 Business Days up to the fifth Business Day before the relevant redemption date (except that if September 2030 Bonds have not been sold through NZX on at least five of the 10 Business Days referred to above, the average price will be determined by an independent adviser selected by the Supervisor and approved by the Issuer). <p>Holders of the September 2030 Bonds have no right to request or require WIA to redeem their September 2030 Bonds prior to the Maturity Date, except in accordance with the Trust Documents following an Event of Default.</p>
Record Date	The tenth calendar day before the due date for that payment or, if that day is not a Business Day, the preceding Business Day or such other date as is determined by WIA in accordance with the Trust Documents.
Issue Price	NZ\$1.00 per September 2030 Bond.
Minimum Application	The minimum application is NZ\$10,000, with multiples of NZ\$1,000 thereafter.
Registrar	<p>Link Market Services Limited</p> <p>The September 2030 Bonds will be accepted for settlement within the NZClear system.</p>
Further Indebtedness	WIA may, without the consent of the Holders of the September 2030 Bonds, issue additional securities or other debt obligations on such other terms and conditions as WIA may think fit.
Financial Covenants	<p>WIA shall ensure that, on each Test Date:</p> <ol style="list-style-type: none"> Total Secured Debt does not exceed 10% of Total Tangible Assets; and Total Interest Bearing Debt does not exceed 70% of Total Tangible Assets, (as those terms are defined in the Supplemental Trust Deed). <p>Non-compliance with material obligations (which would include a breach of a financial covenant) is an Event of Default, subject to remedy where the non-compliance is capable of remedy. Please refer to the Trust Documents for more detail.</p>
How to Apply	<p>All of the September 2030 Bonds, including oversubscriptions, are reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the bookbuild. There will be no public pool for the Offer. Accordingly, retail investors should contact a Joint Lead Manager, their financial adviser or any primary market participant for details on how they may acquire September 2030 Bonds. You can find a primary market participant by visiting https://www.nzx.com/services/market-participants/find-a-participant.</p> <p>In respect of oversubscriptions or generally, any allotment of September 2030 Bonds will be at WIA's discretion, in consultation with the Joint Lead Managers. WIA reserves the right to refuse all or any part of an application without giving any reason.</p> <p>Each investor's financial adviser will be able to advise them as to what arrangements will need to be put in place for the investors to trade the September 2030 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.</p>
Transfers	<p>Holders are entitled to sell or transfer their September 2030 Bonds at any time subject to the terms of the Trust Documents, the Selling Restrictions set out below and applicable securities laws and regulations. WIA may decline to register a transfer of September 2030 Bonds for the reasons set out in the Trust Documents.</p> <p>The minimum amount of September 2030 Bonds a Holder can transfer is NZ\$1,000, and integral multiples of NZ\$1,000 thereafter. No transfer of September 2030 Bonds or any part of a Holder's interest in a September 2030 Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold September 2030 Bonds with an aggregate principal amount of less than the minimum holding of NZ\$10,000 (other than zero).</p>

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NZX Quotation	WIA will take any necessary steps to ensure that the September 2030 Bonds are, immediately after issue, quoted on the NZX Debt Market. Application has been made to NZX for permission to quote the September 2030 Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Indicative Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Indicative Terms Sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the FMCA.
Quotation Date	Expected to be Tuesday, 5 March 2024.
NZX Debt Market Ticker Code	WIA100
Selling Restrictions	<p>This is an Offer of September 2030 Bonds to New Zealand investors.</p> <p>WIA has not taken and will not take any action which would permit a public or regulated offering of the September 2030 Bonds, or possession or distribution of any offering material in respect of the September 2030 Bonds, in any country or jurisdiction where action for that purpose is required (other than New Zealand).</p> <p>The September 2030 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.</p> <p>By purchasing any September 2030 Bonds, each Holder agrees to indemnify the Issuer, the Arranger, the Joint Lead Managers, the Supervisor and/or each of their respective directors, officers and employees (as applicable) for any loss, cost, liability or expenses sustained or incurred by the Issuer, the Arranger, the Joint Lead Managers and/or the Supervisor, as the case may be, as a result of the breach by that Holder of these selling restrictions.</p>
Governing Law	The September 2030 Bonds, the Trust Documents and the Offer are governed by New Zealand law.



The dates set out in this Indicative Terms Sheet are indicative only and are subject to change. WIA has the right in its absolute discretion and without notice to close the Offer early, to accept late applications, 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.

Other Information

Copies of the Trust Documents are available on the New Zealand Companies Office Register at <https://companies-register.companiesoffice.govt.nz/>

Any internet site addresses provided in this Indicative 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 Indicative Terms Sheet.

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 WIA, visit www.nzx.com/companies/WIA

IMPORTANT INFORMATION

The Arranger, the Joint Lead Managers, the Supervisor and their respective directors, officers, employees and agents:

- have not authorised or caused the issue of, or made any statement in, any part of this Indicative Terms Sheet;
- do not make any representation, recommendation or warranty, express or implied, regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Indicative Terms Sheet; and
- to the extent permitted by law, do not accept any responsibility or liability for this Indicative Terms Sheet or for any loss arising from this Indicative Terms Sheet or its contents or otherwise arising in connection with the Offer of the September 2030 Bonds.

This Indicative Terms Sheet does not constitute financial advice or a recommendation from the Arranger, any Joint Lead Manager, the Supervisor or any of their respective directors, officers, employees, agents or advisers to purchase, the September 2030 Bonds.

You must make your own independent investigation and assessment of the financial condition and affairs of WIA before deciding whether or not to invest in the September 2030 Bonds.



➤ CONTACT

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