

**INFORMATION MEMORANDUM
COMMERCIAL PAPER PROGRAMME**

For an issue of Secured Notes by

Watercare Services Limited

Issuer and programme rating of P-1 (Moody's short-term)

1 July 2025

Dealers

ANZ Bank New Zealand Limited
Bank of New Zealand
Commonwealth Bank of Australia (acting through its New Zealand branch)
Westpac Banking Corporation (acting through its New Zealand branch)

Registrar and Paying Agent

Computershare Investor Services Limited

IMPORTANT NOTICE

This Information Memorandum is authorised and provided by Watercare Services Limited (**Issuer**) to prospective participants in the proposal described in this Information Memorandum for information purposes only.

This Information Memorandum has been prepared by the Issuer in relation to its commercial paper programme (**programme**).

In accepting receipt of this Information Memorandum, the recipient acknowledges that none of the Issuer's directors, officers, employees, agents or advisers gives any warranty or representation of accuracy or reliability and they exclude any liability (including for negligence) for any acts, errors or omissions which may impact on the accuracy or reliability of this Information Memorandum, and each recipient waives all claims in relation to such matters. The Issuer shall not be obliged to update any information contained in this Information Memorandum nor to notify any person should it become aware of a change to, or an inaccuracy in, any material in this Information Memorandum after the date of publication.

Where this Information Memorandum summarises the provisions of any other document, that summary should not be relied upon and the relevant document must be referred to for its full effect. The full text of the documents relating to the programme, and the latest available financial statements of the Issuer, are available on request.

Any projections in this Information Memorandum have been prepared and set out for illustrative purposes only and do not constitute a forecast. They may be affected by changes in assumptions, economic and other circumstances.

Any internet site address provided in this Information Memorandum is for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

This Information Memorandum has been prepared solely for general information and introductory purposes and not as specific advice to any particular recipient. It is not a recommendation by the Issuer or the Dealers that any person acquire notes under this programme (**Notes**). This Information Memorandum is not intended to provide the sole basis of any evaluation. This Information Memorandum does not contain all of the information that a prospective participant in the programme may require. It is provided to prospective participants on the basis that they will be responsible for making their own independent assessment of the programme, and undertake such investigations as are necessary to enable them to reach their own decision.

Prospective participants must determine whether the programme is appropriate having regard to their own investment objectives and financial circumstances, with particular regard to legal, accounting and taxation issues. Prospective participants are encouraged to seek independent advice on these matters.

None of the information contained in this Information Memorandum forms the basis of a contractual term, implied or express, between the Issuer and the prospective participants for the issue of Notes. Applications for Notes under the programme will be considered and Notes issued solely on the basis

of the terms and conditions contained in the note deed poll made by Watercare Services Limited dated 24 June 2025 as amended, restated and supplemented from time to time (**Deed Poll**) for this programme.

This Information Memorandum is strictly confidential. It may not be reproduced in whole or part. Its contents may not be disclosed to any other person for any purpose whatsoever. Upon request a prospective participant will promptly return this Information Memorandum, and all other information derived from it.

This Information Memorandum contains references to the credit rating assigned to the Issuer and the programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency. No rating agency has been involved in the preparation of this Information Memorandum.

Responsibility of Registrar and Paying Agent

The Registrar and Paying Agent will not be liable for any breach by the Issuer of any warranty, obligation or undertaking under any agreement including the non-payment of any money due, nor will the Registrar and Paying Agent be liable for any negligent act, error or omission on the part of the Issuer, nor for acting in accordance with any instructions or directions of the Issuer or with the consent or approval of the Issuer.

Selling restrictions

This Information Memorandum has been prepared solely for, and the Notes may only be offered to, wholesale investors within the meaning of, and in compliance with, clause 3(2)(a), (c) and (d) of schedule 1 to the Financial Markets Conduct Act 2013 (**FMCA**), being persons who are an “investment business”, “large” or a “government agency” as defined in that schedule.

Neither the Issuer nor the Dealers intend that Notes be issued or offered for sale or subscription to retail investors in New Zealand in terms of the FMCA. This Information Memorandum is not a product disclosure statement under the FMCA, or the equivalent under securities laws of any other jurisdiction.

No Notes may be offered for issue or sale, and this Information Memorandum may not be distributed or published, in any country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction.

PROGRAMME SUMMARY

Issuer:	Watercare Services Limited
Credit rating:	The Issuer and the programme have been assigned a short-term P-1 rating (Moody's)
Programme purpose:	Funds raised by the issue of Notes will be used for general financing purposes by the Issuer.
Dealers:	<p>ANZ Bank New Zealand Limited</p> <p>Bank of New Zealand</p> <p>Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch)</p> <p>Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)</p> <p>The Issuer may appoint additional dealers from time to time at its discretion.</p>
Term of Programme:	The Issuer may at any time cancel the programme in whole or in part by giving at least 30 days' prior written notice to the Dealers. Any such cancellation in whole or in part of the programme shall not affect the obligations of the Issuer in relation to outstanding Notes. There is no expiry date on the programme.
Deed Poll:	Notes are constituted by and issued pursuant to the note deed poll relating to a commercial paper programme made by the Issuer dated 24 June 2025.
Security	The obligations of the Issuer under the Notes are secured pursuant to a specific security deed, which creates security over the Issuer's charges and charging regime revenue, with such security held on trust by NZGT Security Trustee Limited as trustee of the Watercare Security Trust.
Term of Notes:	Notes shall have a maturity from 1 to 364 days (inclusive).
NZClear:	The Notes may be issued, cleared, settled, held and transferred via NZClear, in which case the NZClear rules will apply.
Issuance mechanisms:	Notes may be issued by the Issuer to the Dealers, either through tender or private placement. The specific terms of each Note will be recorded in the Register maintained by the Registrar and Paying Agent on behalf of the Issuer.
Form and	Notes will be issued at a discount to face value, calculated on a yield to

denomination of Notes:	maturity basis, and will be in the form of registered notes (in uncertificated book entry form) in minimum amounts of NZ\$500,000 and multiples thereafter of NZ\$100,000.
Private placements	Investors wishing to bid for Notes must do so via one of the Dealers.
Tenders	Tenders may be held with procedures agreed between the Issuer and the Dealers.
Transfer	A holder may transfer the whole or part of its interest in a Note. However, no transfer of its interest may be effected if such transfer would result in either the transferor or the transferee holding or continuing to hold a Note with a face value of less than NZ\$500,000 or that is not a multiple of NZ\$100,000.
Redemption of Notes	The face value of each Note will, subject to any deductions on account of tax, be payable on its maturity date to the person registered as the holder of the Note on the business day prior to the maturity date to such bank account (including under the NZClear System) as may be requested by the holder.
Taxation	<p>Payments in respect of Notes will be subject to deduction of any New Zealand resident or non-resident withholding tax or approved issuer levy as may be applicable. The Issuer will not be obliged to make any additional payment by way of gross-up or otherwise with respect to the tax deduction, levy or withholding from any payment made in respect of the Notes.</p> <p>The programme has been registered with the IRD under the approved issuer regime.</p>
Selling restrictions:	No Notes may be offered for issue or sale, and this Information Memorandum may not be distributed or published, in any country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction. In particular, no Notes may be offered or sold in New Zealand other than to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of schedule 1 of the FMCA, being persons who are an “investment business”, “large” or a “government agency” as defined in that schedule.
Absence of Crown or Council guarantee	The Crown, the Government of New Zealand and Auckland Council do not guarantee or otherwise accept any liability for the Notes or obligations of the Issuer.
Programme documentation	Copies of the Deed Poll and the Security Documents (as defined in the Security Trust Deed) may be inspected by any existing holder at the offices of the Issuer during normal business hours.

Registrar and Paying Agent Computershare Investor Services Limited

Governing law: New Zealand

INFORMATION ON THE ISSUER

The Issuer is a limited liability company registered under the Companies Act 1993. The Issuer has a statutory responsibility to maintain drinking and wastewater services in the Auckland region of New Zealand.

The Issuer is a council-controlled organisation, wholly owned by Auckland Council, and a local government organisation under the Local Government Act 2002. However, the Issuer is financially independent of Auckland Council and cannot receive financial support from nor will it pay any dividend or distribute any surplus to Auckland Council.

Sources of income

The primary source of revenue for the Issuer is water and wastewater charges. The Issuer's authority to assess and collect charges based on water usage is established through a combination of statutory and regulatory frameworks.

Where the Issuer has granted a security interest over water and wastewater charges as security for a loan or performance of any obligations under any incidental arrangement (as it has under the Security Deed), section 60A of the Local Government (Auckland Council) Act 2009 provides that presently a receiver appointed under section 40A or section 40B of the Receiverships Act 1993 in respect of that obligation may, in each financial year, assess and collect a water services charge to recover sufficient funds to meet the Issuer's commitments in respect of the loan or incidental arrangement during that year, and the reasonable costs of administering, assessing and collecting the charge.

Security

NZGT Security Trustee Limited as trustee of the Watercare Security Trust (**Security Trustee**) has been appointed under a security trust and intercreditor deed dated 11 April 2025 (as amended, restated and supplemented from time to time) (**Security Trust Deed**) between, among others, the Issuer and the Security Trustee to hold the benefit of security given in respect of indebtedness of the Issuer, including under the Notes. The security is held on trust for the beneficiaries under the Security Trust Deed which includes holders of Notes.

The Notes are secured by the specific security deed dated 11 April 2025 (as amended, restated and supplemented from time to time) granted by the Issuer in favour of the Security Trustee (**Security Deed**).

The Security Deed creates a charge over the Issuer's charges and charging regime revenue and no other assets of the Issuer. If the charged property is not sufficient to repay outstandings, there is no recourse to other assets of the Issuer under the Security Deed.

The ability to enforce the Security Deed is subject to the terms of the Security Trust Deed, including the requirement that no enforcement action can be taken during a Standstill Period (as defined in the Security Trust Deed) and enforcement requiring the instruction of the Majority Beneficiaries (as defined in the Security Trust Deed).

DIRECTORY

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