

Supplemental Trust Deed Series 7

Contact Energy Limited

the Issuer

and

The New Zealand Guardian Trust Company Limited

the Supervisor

Date 21st August 2015

BELL GULLY

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This **Supplemental Deed** is made on 21st August - 2015

between (1) **Contact Energy Limited (Issuer)**

and (2) **The New Zealand Guardian Trust Company Limited (the Supervisor)**

Introduction

This deed is a supplemental trust deed entered into pursuant to clause 2.4 of the Master Trust Deed to provide for the constitution and issue of the Bonds on the terms and conditions set out in this Supplemental Deed Series 7.

It is agreed

1. Definitions and Interpretation

1.1 Master Trust Deed

The terms of the Master Trust Deed (including, without limitation, the definitions, rules of construction and the miscellaneous provisions of clauses 1.1, 1.2 and 1.4 respectively of the Master Trust Deed) shall apply in this Supplemental Deed Series 7 and to the Bonds constituted by this Supplemental Deed Series 7 except to the extent modified in this Supplemental Deed Series 7. To that extent, or in the event of any conflict between the provisions of this Supplemental Deed Series 7 and those of the Master Trust Deed, the provisions of this Supplemental Deed Series 7 shall prevail over those of the Master Trust Deed.

1.2 Definitions

In this Supplemental Deed Series 7, terms defined in the Conditions and used in this Supplemental Deed Series 7 have the meaning given to them in the Conditions and, unless the context indicates otherwise:

Bonds means the unsecured, unsubordinated, Fixed Rate Notes which are to be issued pursuant to this Supplemental Deed Series 7;

Conditions means the terms and conditions set out in Schedule 1 to this Supplemental Deed Series 7;

Master Trust Deed means the master trust deed dated 23 February 2009 between the Issuer and the Supervisor, as amended from time to time (including as amended and restated by deed dated 21 August 2015);

NZX Notice means the notice in relation to the offer of the Bonds pursuant to clause 20(1)(a) of Schedule 8 of the FMC Regulations, and any notice given pursuant to clause 21 of Schedule 8 of the FMC Regulations (if applicable);

Registrar means Link Market Services Limited;

Supplemental Deed Series 7 means this supplemental trust deed and the terms of the Master Trust Deed incorporated by reference in accordance with clause 1.1; and

Terms Sheet means the terms sheet dated 24 August 2015 under which the Bonds are offered.

1.3 **Modification of other terms in Master Trust Deed**

In this Supplemental Deed Series 7, the terms **Holder**, **Bond**, **Register** and **Series** have the meanings given in the Master Trust Deed (except for **Bond** which shall have the meaning given to **Note** in the Master Trust Deed) but, in this Supplemental Deed Series 7, refer only to the Bonds, to the Holders of those Bonds, to the Register in relation to those Bonds and to the Series of Bonds issued under this Supplemental Deed Series 7.

1.4 **Terms Sheet**

All references in the Master Trust Deed to "Information Memorandum" shall, to the extent that they relate to the Bonds, be read as references to the Terms Sheet.

2. **Issue and terms of Bonds**

2.1 **Maximum Principal Amount**

The aggregate Principal Amount of Bonds that may be issued under this Supplemental Deed Series 7 is \$100 million although the Issuer is entitled to issue additional Bonds up to an additional aggregate maximum Principal Amount of \$25 million.

2.2 **Issue Price**

Each Bond shall have an issue price of \$1.00, being the Principal Amount of each Bond.

2.3 **Minimum Subscription Amount**

The minimum subscription amount for each initial Holder of Bonds is a Principal Amount of \$5,000 and in multiples of \$1,000 thereafter.

2.4 **Status under Master Trust Deed**

The Bonds are Unsubordinated Notes and Fixed Rate Notes, and form a Retail Series that is Listed.

2.5 **Sale restrictions**

The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Bonds may be offered for sale or sold in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction.

2.6 **Terms and Conditions**

The terms and conditions that will apply to the Bonds are set out in Schedule 1.

2.7 **Guaranteeing Subsidiaries**

The Bonds will not, at the time of issue, be guaranteed by any Subsidiary.

3. Deed of Negative Pledge and Guarantee

3.1 No Guarantee

Clauses 5, 6 and 7 of the Deed of Negative Pledge and Guarantee shall not apply to the Bonds or to any principal, interest or other amount represented by the Bonds.

3.2 Issuer as sole Guaranteeing Group Company

The Supervisor's rights (as Supervisor for the Bonds) under the Deed of Negative Pledge and Guarantee shall be modified such that each reference in the Deed of Negative Pledge and Guarantee to "Guaranteeing Group Company", other than the references in clause 3.1.2(c) of that deed, shall be read as references to the Issuer only.

3.3 Financial covenants

Clause 2.3.2 (*Guaranteeing Group Worth*) of the Deed of Negative Pledge and Guarantee shall not apply to the Bonds.

3.4 No prejudice to permitted transactions

Nothing in this Supplemental Deed Series 7 (including clause 3.2) shall prejudice or prohibit any transaction permitted to be undertaken by a Guaranteeing Group Company (as defined in the Deed of Negative Pledge and Guarantee) under the Deed of Negative Pledge and Guarantee.

4. Conditions Precedent

4.1 Conditions precedent

The Issuer is not entitled to issue any Bonds until the Supervisor has confirmed to it in writing that it has received the following in form and substance satisfactory to it:

- (a) a duly executed original of this Supplemental Deed Series 7;
- (b) a copy of the Terms Sheet and the NZX Notice;
- (c) evidence that this Supplemental Deed Series 7 has been lodged with the Registrar of Financial Service Providers;
- (d) a legal opinion from the Issuer's solicitors in relation to the compliance of the Issuer with the Financial Markets Conduct Act 2013, Financial Markets Conduct Regulations 2014 and the Listing Rules; and
- (e) a copy of the Interest Rate Advice Notice.

4.2 Representations, warranties and undertakings

In addition to the requirements set out in clause 4.1, the Issuer shall not issue any Bonds unless the representations and warranties contained in clause 11.1 of the Master Trust Deed and 5.1 of this Supplemental Deed Series 7 are true and correct in all material respects by reference to the facts and circumstances existing as at the Issue Date for those Bonds.

4.3 Issue notice

Promptly after the issuance of Bonds on the Issue Date, the Issuer agrees to send to the Supervisor a copy of the communication(s) it sends to the Registrar with the particulars of the Bonds issued on that Issue Date.

5. Representations and warranties

5.1 No Event of Default

Pursuant to clause 11.2 of the Master Trust Deed, the Issuer represents and warrants to the Holders and the Supervisor, as at the date of this Supplemental Deed Series 7, that:

- (a) no Event of Default has occurred and is continuing; and
- (b) it is a company duly incorporated and validly existing under the laws of New Zealand with indefinite corporate existence, capable of suing and being sued and has the power and authority to own its assets and to carry on its business as presently conducted.

5.2 Quotation

The Issuer undertakes to use its best endeavours to ensure that the Bonds are quoted on the NZX Debt Market within a reasonable time after the final date on which the Bonds are available for subscription, and that they remain quoted on the NZX Debt Market until redeemed in accordance with the terms and conditions of the Bonds.

5.3 Provision of information

The Issuer must:

- (a) promptly after its occurrence, notify the Supervisor in writing of any downgrade of its credit rating; and
- (b) promptly notify the Supervisor in writing of any non-payment of any amount payable in respect of the Bonds when due.

6. Supervisor appointments

At any time while the Bonds are Listed, the Issuer may not appoint a Supervisor in relation to the Bonds under clause 18.3 of the Master Trust Deed unless that appointment is approved by an Extraordinary Resolution of the Holders of the Bonds.

7. Miscellaneous

7.1 Counterparts

This Supplemental Deed Series 7 may be signed in any number of counterparts (including by facsimile or emailed copy) all of which, when taken together, will constitute one and the same instrument. A party may enter into this Supplemental Deed Series 7 by executing any counterpart.

7.2 Governing law

This Supplemental Deed Series 7 and the Bonds shall be governed by and construed in accordance with New Zealand law.

7.3 Submission to jurisdiction

The Issuer submits to the non-exclusive jurisdiction of the New Zealand courts for the purpose of any legal proceedings arising out of this Supplemental Deed Series 7.

8. Delivery


Without limiting any other mode of delivery, this Supplemental Deed Series 7 will be delivered by each of the parties on the earlier of:

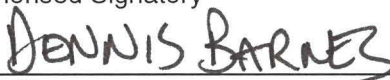
- (a) unconditional physical delivery of an original of this Supplemental Deed Series 7, executed by that party, to the other party, or to that respective party's solicitors; or
- (b) unconditional transmission by each party of a scanned or facsimiled copy of an original of this Supplemental Deed Series 7, executed by that party, to the other party, or to that respective party's solicitors.

Execution

Executed and delivered as a deed.


Contact Energy Limited by:



 Authorised Signatory


 Print Name

In the presence of:



 Witness
 Catherine Thompson

 Print Name General Counsel
 Contact Energy Limited

 Occupation

 Wellington, NZ

 Address

The New Zealand Guardian Trust Company Limited by:

Authorised Signatory

Print Name

Authorised Signatory

Print Name

In the presence of:

Witness to both signatures

Print Name

Occupation

Address

Schedule 1: Terms and Conditions of Series 7 Bonds

1. General

- 1.1 The Bonds are subject to the provisions of the Trust Documents and, to the extent imported by the Trust Documents, the Deed of Negative Pledge and Guarantee. Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the Trust Documents.
- 1.2 Words and expressions defined in the Trust Documents and used in these Conditions have the meanings given to them in the Trust Documents, as applicable, unless otherwise defined. In addition, unless the context otherwise requires:

Accrued Interest means, on any date and in respect of any Bond, all interest on the Principal Amount of that Bond which has accrued in accordance with these Conditions but has not been paid to the relevant Bondholder and includes, where the context requires, interest overdue for payment.

Bondholder means a registered holder of Bonds as at the relevant time.

Conditions means these conditions.

Contact Energy means Contact Energy Limited.

Interest Payment Date means each of 15 February, 15 May, 15 August and 15 November in each year commencing on 15 November 2015 and ending on 15 November 2021, or such other dates in each year as determined by the Issuer with the prior written consent of the Supervisor and recorded in the Register in respect of the Bonds.

Interest Period means each period calculated as follows:

- (a) the first Interest Period will commence on (and include) the Issue Date and end on (but exclude) the first Interest Payment Date;
- (b) each subsequent Interest Period will commence on (and include) the Interest Payment Date following immediately after the previous Interest Period and end on (but exclude) the next Interest Payment Date; and
- (c) the final Interest Period will end on (but exclude) the Maturity Date.

Interest Rate means the interest rate advised in the Interest Rate Advice Notice.

Interest Rate Advice Notice means the announcement made by Contact Energy to NZX of the interest rate applicable to the Bonds.

Maturity Date means 15 November 2021.

Principal Amount means, in relation to a Bond, the amount (other than interest) payable on redemption or repayment of that Bond, being the amount recorded as such in the Register in respect of that Bond.

Statement means a statement issued by Contact Energy to a Bondholder in relation to the Bonds held by the Bondholder, in compliance with the Listing Rules (if applicable).

Trust Documents means the Master Trust Deed and the Supplemental Deed Series 7.

2. Status and ranking of the bonds

2.1 Status

The Bonds constitute unsecured, unsubordinated debt obligations of Contact Energy. They will rank equally in all respects with each other and with all other unsecured, unsubordinated indebtedness of Contact Energy, other than indebtedness preferred by law.

2.2 Repayment on Maturity Date

Unless and until amounts owing under the Bonds are paid or repaid earlier under the Trust Documents or these Conditions, Contact Energy shall repay the Principal Amount owing under the Bonds, together with Accrued Interest, on the Maturity Date.

3. Event of default

At any time after the occurrence of an Event of Default (as defined in the Master Trust Deed), provided the Event of Default is continuing unremedied, the Supervisor at its discretion may, or upon being directed to do so by an Extraordinary Resolution must, declare the Bonds to have become immediately due and payable by notice in writing to Contact Energy, whereupon the Principal Amount of such Bonds, together with any Accrued Interest, shall forthwith become immediately due and payable.

4. Interest

4.1 Interest Rate and Calculation of Interest

- (a) Each Bond bears interest on the Principal Amount at the Interest Rate commencing on (and including) the Issue Date.
- (b) Subject to Condition 4.1(c), interest shall be paid in arrears in equal quarterly instalments on each Interest Payment Date.
- (c) If an Interest Period is shorter or longer than other Interest Periods because it starts or ends on the Issue Date or Maturity Date or any other date that does not correspond with other Interest Payment Dates, interest shall be calculated on the basis of the number of days in the relevant Interest Period and a year of 365 days. Interest will accrue daily and be paid to the Bondholder in arrears on the Interest Payment Date falling immediately after that Interest Period.

4.2 Payments

All payments in relation to a Bond may be satisfied by direct credit to any New Zealand bank account nominated in writing (prior to 5:00pm on the Record Date) by the Bondholder entered in the Register as at 5:00pm on the Record Date. Such direct credit will occur prior to 5:00pm on the relevant Interest Payment Date (or, if that date is not a Business Day, the next Business Day after that date) or other date on which payment is required to be made.

4.3 Withholding Taxes

(a) Deduction for Withholding

Subject to Condition 4.3(b) (*Approved Issuer Levy*), all payments or credits to, or to the account of, Bondholders (including payments of, and credits in respect of, interest) will be made net of any tax or levy in respect thereof required by law to be withheld,

deducted or paid by Contact Energy, except to the extent that the Registrar is satisfied that the Bondholder is exempt from any such tax or levy or is a person in respect of whom any such withholding, deduction or payment is not required to be made. Any Bondholder claiming any such exemption or to be such a person must provide the Registrar with such evidence as the Registrar may from time to time require to satisfy itself in respect of the validity of that claim.

(b) **Approved Issuer Levy**

Contact Energy will register the Bonds with Inland Revenue for approved issuer levy (within the meaning of section 86F of the Stamp and Cheque Duties Act 1971) (**AIL**). Unless otherwise agreed, Contact Energy will, where it is lawfully able, pay AIL at the minimum rate permitted by law on payments made or credited to Bondholders who are not New Zealand tax residents and do not engage in business in New Zealand through a fixed establishment in New Zealand (**Non-Resident Bondholders**). The amount of AIL will be reimbursed by the Non-Resident Bondholder to Contact Energy by Contact Energy deducting the amount from the Interest otherwise to be paid or compounded to or for the benefit of the Non-Resident Bondholder. At the written request of a Non-Resident Bondholder, to be made to the Registrar, Contact Energy will not deduct AIL and will deduct non-resident withholding tax, at the rate required by law (as reduced by any applicable double tax agreement) from payments made or credited to that Non-Resident Bondholder. Where Bonds are held jointly by a New Zealand tax resident and a Non-Resident Bondholder, Contact Energy will deduct resident withholding tax at the rate required by law. Contact Energy or the Registrar may require satisfactory evidence as to a Bondholder's tax and residency status before agreeing to apply any particular withholding regime in respect of that Bondholder.

(c) **No gross-up**

The actual amount of interest payable to each Bondholder on each Interest Payment Date will be the gross amount of interest calculated in accordance with Condition 4.1, less any amount deducted or paid by Contact Energy under Condition 4.3(a) and/or 4.3(b). Contact Energy is not liable to increase any payment to a Bondholder on account of any deduction or payment made under Condition 4.3(a) or 4.3(b).

(d) **Taxation Indemnity from Bondholder**

If, in relation to any Bond, the Supervisor or Contact Energy becomes liable to make any payment of or on account of tax payable by the Bondholder or in relation to any Bonds, the Supervisor and Contact Energy is each indemnified by the Bondholder and the personal representatives or successor of that Bondholder (and, as concerns the Supervisor, also by Contact Energy who shall in turn be indemnified by the relevant Bondholder) in respect of any such liability, and any moneys paid by the Supervisor and Contact Energy in respect of any such liability may be recovered by action from such Bondholder and the personal representatives or successor of the such Bondholder (as the case may be) as a debt due to the Supervisor or Contact Energy. Nothing in this Condition prejudices or affects any other right or remedy of the Supervisor or Contact Energy.

5. Transfers and replacements of bonds

5.1 Transfers

The Bonds may be transferred subject to and in accordance with this Condition 5 (including (without limitation) Condition 5.5) and clauses 2.5 and 2.6 of the Supplemental Deed Series 7.

5.2 Form of Transfer

Subject to these Conditions and the Trust Documents, a Bondholder may transfer any Bond held by him or her by:

(a) Written instrument

a written instrument of transfer in the usual or common form signed by the transferor and the transferee; or

(b) NZX Debt Market

if the Bonds are listed on the NZX Debt Market, any method of transfer permitted by the NZX for securities listed on that market; or

(c) Other method

any other method of transfer of marketable securities which is not contrary to any law and which may be operated in accordance with any Listing Rules, and which is approved by Contact Energy.

5.3 Registration process

The following provisions apply to instruments of transfer other than any transfer under clause 5.2(b) (*NZX Debt Market*) of these Conditions:

- (a) the instrument of transfer must be left with the Registrar along with such other evidence as the Registrar or the Supervisor requires to prove the transferor's title to, or right to transfer, the Bonds, together with evidence that any applicable duties and taxes required to be paid by any relevant legislation in order for the Bonds to be transferred have been paid; and
- (b) on registration of a transfer of a Bond, a Statement will be issued to the transferee of such Bond.

5.4 Transfers must be Registered

Subject to this Condition 5 (*Transfers and Replacements of Bonds*), Contact Energy must direct the Registrar not to refuse to register, or fail to register, or give effect to, a transfer of Bonds.

5.5 Refusal to Register Transfers

Contact Energy may direct the Registrar to refuse to register any transfer of Bonds where these Conditions, the Trust Documents, any applicable legislation or the Listing Rules permit (but do not require) Contact Energy to do so.

5.6 Notice of Refusal to Register

Where registration of a transfer of Bonds is refused under Condition 5.5 (*Refusal to Register Transfers*), Contact Energy must direct the Registrar to give written notice of the refusal and the precise reasons for the refusal to the party lodging the transfer, if any, within five Business Days after the date on which the transfer was lodged. The failure to give such a notice will not invalidate the decision not to register the transfer.

5.7 Retention of Transfers

Contact Energy will direct the Registrar to retain all instruments of transfer of Bonds which are registered, but any instrument of transfer of Bonds the registration of which was declined or refused (except on the ground of suspected fraud) is to be returned to the party lodging the transfer.

5.8 Powers of Attorney

Any power of attorney granted by a Bondholder empowering the donee to deal with, or transfer Bonds, which is lodged, produced or exhibited to the Registrar will be deemed to continue and remain in full force and effect as between Contact Energy, the Supervisor, the Registrar and the grantor of that power, and may be acted on, until express notice in writing that it has been revoked or notice of the death of the grantor has been received at the Registry.

5.9 Transmission by Operation of Law

Any person becoming entitled to any Bond by operation of law (including the death or bankruptcy of any Bondholder) may, upon producing such evidence of entitlement as is acceptable to Contact Energy, obtain registration as the Bondholder of such Bond or execute a transfer of such Bond. This provision includes any case where a person becomes entitled as a survivor of a person registered as joint Bondholder.

5.10 Notices

- (a) All notices given by Bondholders in accordance with these Conditions will be irrevocable.
- (b) In addition to the notice provisions set out in clause 27 of the Master Trust Deed, each notice or other communication to be given or made under this Supplemental Deed Series 7 to any Bondholder may also be given by email to the email address designated for that purpose and last entered in the Register.
- (c) Any notice or communication given or made under this Supplemental Deed Series 7 to any Bondholder by email will be deemed to be received one hour after the time it is sent provided that no error message or out of office message was received to indicate that the email did not reach its intended destination or that the intended recipient is out of the office. In the event that the intended recipient is out of the office, the email will be deemed to be received by the addressee on the date that the addressee intends to return to the office as indicated in the out of office response.