



**VECTOR LIMITED**  
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3 May 2017

Dear Bondholder,

## VECTOR CAPITAL BONDS ROLLOVER

Vector Limited (**Vector**) has issued Capital Bonds (VCT070) (**Capital Bonds**) subject to the terms of the trust deed dated 25 September 2002 (as amended) (**Trust Deed**). Under the Trust Deed, as a Bondholder you are entitled to make an election to keep or sell some or all of your Capital Bonds on each election date. The next election date is 15 June 2017. From this date, the Capital Bonds will be subject to a new interest rate and a new election date of 15 June 2022. As a Bondholder you need to make an election in relation to your Capital Bonds by no later than 5.00pm on Wednesday 31 May 2017.

Enclosed with this letter are:

- > explanatory notes which contain further information about the new interest rate which will apply to the Capital Bonds from the election date of 15 June 2017, as well as details of your election options (the **Explanatory Notes**); and
- > an Election Notice.

You should read these documents prior to making your election in relation to your Capital Bonds.

### ELECTION OPTIONS

The election options available to you as a New Zealand Bondholder are to:

- A. keep all of your Capital Bonds; or
- B. keep all of your Capital Bonds and apply to purchase additional Capital Bonds through the resale facility to be established by Vector as part of the election process (the **Resale Facility**); or
- C. offer to sell some of your Capital Bonds through the Resale Facility and keep the balance of your Capital Bonds; or
- D. offer to sell all of your Capital Bonds through the Resale Facility.

If on 31 May 2017 your registered address is outside New Zealand then you will be deemed to have elected to offer to sell all of your Capital Bonds through the Resale Facility.

Detailed information about the options available to you as a Bondholder is set out in the Explanatory Notes.

### ACTION TO BE TAKEN

If you are a New Zealand Bondholder you should return a completed Election Notice so that it is received by Computershare Investor Services Limited (Vector's bond registrar) **no later than 5.00pm on Wednesday 31 May 2017**.

If you do not return a properly completed Election Notice to Computershare Investor Services Limited by **5.00pm on Wednesday 31 May 2017** you will be deemed to have elected to keep all of your Capital Bonds beyond the election date of 15 June 2017 and accepted the new conditions in respect of all of your Capital Bonds.

If you have any doubts as to what you should do in relation to your Capital Bonds, you should contact your authorised financial adviser. If you have any queries regarding the procedure for making your election, you should contact Computershare Investor Services Limited, as bond registrar, by phoning: +64 9 488 8777, or your authorised financial adviser.

### POTENTIAL DISPOSAL OF CAPITAL BONDS HELD BY VECTOR

As announced by Vector on 7 June 2012, Vector purchased and held for resale \$44,553,666 of Capital Bonds as part of the last Capital Bond election process completed on 15 June 2012. Vector is now considering selling some or all of these bonds, with settlement of any such sale to occur on 15 June 2017. Any such sale will occur outside of the Resale Facility and will not occur if there are unsold Capital Bonds in the Resale Facility immediately prior to 15 June 2017.

Yours sincerely,

**MICHAEL STIASNY**  
Chairman