

**Chairman and CEO's speeches  
Vector 2010 Annual Meeting, Tasman Room  
Alexandra Park Raceway  
2.00pm - 22 October 2010  
Embargoed 2pm**

Good afternoon.

I'm Michael Stiasny, independent director and chairman of Vector's board.

As it is now past 2:00pm and as we have a quorum, it is my pleasure to declare open this 2010 Annual General Meeting of Vector Limited.

On behalf of my fellow directors, a very warm welcome.

Vector has 39,555 shareholders.

In addition to those attending today, 1,849 shareholders, holding a total of 795,121,808 shares, have appointed proxies.

They are represented by 23 proxy holders, and I can advise that in my capacity as chairman of the meeting and in my own name I hold proxies for 1,726 shareholders, representing a total of 42,970,342 shares.

Included in the shares held by proxy are the 751 million shares held by the Auckland Energy Consumer Trust, Vector's majority shareholder. The trust is represented by Warren Kydd.

Before we move on to the agenda and the important business of the meeting, it's important that the meeting is not disturbed.

Can anyone who has a cell phone, blackberry, pager or any recording device please switch it off now.

One other matter of housekeeping, before we start. If we need to evacuate this room for any reason, there are two exits to my right, two exits through the glass doors at the front of the building overlooking the track, and also the entrance you came through

Thank you.

All of our directors are here, and joining the board is Vector's Group Chief Executive Officer, Simon Mackenzie, and Group Legal Counsel, Grant Wilson

And members of Vector's executive team are present.

Joining us today are representatives from our auditors, KPMG, and legal advisers, Russell McVeagh.

Turning to today's agenda,

Before we get to the formalities of voting I will talk about Vector's high level financial performance and recent developments.

Simon will then talk in more depth about each of our segments, the regulatory environment and provide an update on our bid to supply ultra fast broadband to Auckland.

We will then open the meeting for discussion about the annual report, including the financial statements and audit report.

We will address each item of formal business and following that, it will be time to vote on the resolutions.

After that it is time for general business where you will be able to discuss other matters relevant to the company.

And now to the year under review.

In 2010 we saw steady growth. In spite of the economic conditions Vector has recorded another year of pleasing financial and operational performance, in line with market expectations.

Revenue increased 1.1% to \$1.2 billion, reflecting increases in electricity, gas transportation and technology.

Alongside improved underlying profit performance we have seen a lift in health and safety outcomes, network reliability, and growth in customer numbers.

Last year we talked at length about the credit crunch and the global financial crisis. Twelve months on, things have improved – but only slightly.

The team at Vector has worked hard to preserve EBITDA – that's earnings before interest, tax, depreciation and amortisation.

This measure of performance dipped slightly due to the long-signalled wind down of legacy gas contracts and the one-off management fee received in 2009 from the purchasers of the Wellington network.

Tax regime changes announced in the Government budget contributed to a one-time, non-cash lift in net profit before tax – of approximately \$21 million. Backing this out, underlying net profit after tax rose by 4.7% to \$173 million.

Given 60% of our revenue is generated within a regulated environment and the fact that New Zealand is still experiencing weak economic conditions it is pleasing to see this continued growth

Turning to our EBITDA segment result.

In electricity, with a backdrop of weak economic conditions and warmer weather which led to lower volumes, it was pleasing to see revenue increase by 3.8%.

Operating expenditure fell slightly reflecting savings in network maintenance partly offset by an increase in pass through charges and personnel costs. All told, we saw a pleasing 6.3% improvement.

In gas transportation, new distribution connections and an increase in transmission volume led to a 4.8% improvement.

As expected, earnings in our gas wholesale segment fell.

We have been talking about the end of our legacy gas contracts for a long time now, and there have been other changes in this segment that also affected earnings.

More than half of the decline came from our Liquigas business, as a result of the long anticipated expiry of the Maui LPG contract. Liquigas no longer sells LPG, and under its new business model will derive revenue from transport and storage of LPG.

In technology, earnings were flat. Our Technology segment includes our communications and metering businesses. We saw increases in revenue across both of these, however there were a number of one-off costs – without these we would have recorded double digit growth.

In shared services, net costs increased by \$16 million. Firstly – as previously mentioned there was no repeat of the \$8 million management fee relating to the Wellington network, secondly we have increased expenditure this year relating to the fibre bid and thirdly as the company met its performance targets we have included an allowance for bonuses.

Other than additional staff in our technology segment – where we acquired AMS – headcount has been flat across the company.

As you'll all be aware, the board declared a final dividend of seven and a half cents per share, bringing the total dividend for the year to 14 cents, an increase of 1.8% on 2009.

The full year dividend represents a payout ratio of 51%. This is slightly lower than Vector's dividend policy of an average of 60% over time, and reflects the Board's view of growth options and the current regulatory environment which Simon will talk too shortly.

Dividends totalling 66 cents have been paid since the float.

There are five recent developments that have occurred since year end that we'd like to share with you today

Our investment grade credit rating of BBB+ with Standard and Poor's was re-affirmed.

In early September, Crown Fibre Holdings announced that Vector was on the short list for the Ultra Fast Broadband initiative and prioritised Alpine Energy, The Central North Island Fibre Consortium and Northpower in their regions.

We are pleased that Crown Fibre Holdings has adopted a regional approach – which includes our colleagues and members of the New Zealand Regional Fibre Group.

Vector was instrumental in the formation of the NZRFG and we are pleased to see that this approach of a regional solution as a viable alternative to Telecom appears to have found favour.

In September we successfully priced debt finance in the United States, with US\$182 million of unsecured notes placed with institutional investors. The proceeds are expected to be received in December and will be used to repay \$250m credit wrapped Medium Term Notes that mature next April.

In June we successfully established a new \$50 million senior credit facility and a new \$125 million working capital facility, replacing existing debt arrangements that are due to mature.

As a result of all of this activity we have lengthened our debt maturity profile and have no refinancing requirements until June 2012.

We're not exposed to any particular foreign currency, term or provider. We have ample headroom available with \$115 million of cash in the bank and \$325 million of undrawn credit facilities as at 30 June 2010.

Our businesses in Christchurch – an Ongas depot, an AMS branch and a Liquigas depot - were not badly affected by the recent earthquake, and have traded since soon after the quake.

Some of our team members had their houses damaged, and we have provided support to help them get through this difficult time. We have also fund raised for the people impacted by the earthquake.

This morning we released our operating statistics for the first quarter - the three months ended September - that confirm we are on track to reach the target for 2011 full year earnings

Also this morning the Commerce Commission released its final consultation in respect of input methodologies for the electricity distribution sector.

Simon will talk in detail about the regulatory reset during his presentation.

I'll now pass you over to Simon to take you through the performance of our business units.

Thank you Michael.

Before I discuss the performance of our various segments, I want to remind you that we earn approximately 60% of our revenue from regulated sources. Our electricity and gas transportation network businesses account for approximately \$750 million of our total revenue of \$1.2 billion, with our competitive gas wholesale and technology segments providing the remaining \$450m.

So, I'll firstly go through our regulated businesses then unregulated.

Moving to electricity:

Apart from the continuing subdued economic conditions, the milder early winter affected volumes, which came in at 8,168 giga watt hours, slightly lower than the year before.

By segment, demand from small to medium sized business customers was down by 2.2%, residential decreased by 1.2% and industrial and commercial was down by 0.2%.

Connections grew by 4,851 – the same rate of growth as the year before, and finished the year at just over 528,000.

From a network performance perspective, we have had a good year. With our SAIDI measure significantly reduced on the year before. This statistic shows the average length of time a customer is without power.

Mild weather has played a part in the low outage statistics, but so too have the efforts of our employees and contractors operating under new service agreements.

We're also taking a more proactive approach to vegetation management, cutting trees so they don't impinge on the lines, and we have upgraded technology on the network introducing a lot of automated equipment that re-sets after an outage.

All these factors have combined to reduce our 2010 SAIDI performance to 66.8 minutes, down from 104.1 minutes in 2009.

And for the first quarter of this year, electricity connections grew at the same rate as 2010, and there was a pleasing 3% increase in volume quarter on quarter.

September's lengthy storms saw our SAIDI network performance slip.

Moving now to talk about gas connections.

We saw good growth in new connections this year, and surpassed last year's growth rate of 1.6%

Volumes for our gas distribution network were almost flat, slipping just 0.2 petajoules, with 2.3% volume growth in our gas transmission network.

We completed agreements to build new connections to our transmission network, and have three key growth capital expenditure projects planned for 2011..

For the three months to September, we saw continued volume growth in gas distribution and gas transmission, and growth in customer connections.

One of the industry issues we are working on with the Gas Industry Council, customers and the Ministry of Economic Development is capacity on the Northern Transmission pipeline.

This is a very complex area, characterised by legacy contracts, regulatory uncertainty and investment uncertainty.

Put simply, the pipeline can reach its limits under certain conditions, but to invest in new capacity requires confidence of further significant demand, regulatory certainty and obviously it must stack up commercially for us.

Before I talk about our gas wholesale and technology segments, I want to take a moment to talk about the regulatory environment.

Regulation remains the major value driver for our gas and electricity distribution businesses.

The National Government has identified infrastructure as a cornerstone of economic growth, and the right regulatory regime is necessary to support the Government's policy goals of higher economic growth and closing the gap with Australia.

If the global financial crisis has proven anything – it is this:

Capital markets and debt markets have changed, possibly permanently. Lenders are more risk averse and are looking for the right commercial returns.

Borrowers compete globally for debt and equity finance, and companies like Vector - that rely on offshore and local capital - compete for funding.

Given the size of New Zealand's capital markets it is essential that regulation provides the right incentives and confidence for off-shore capital to invest in New Zealand.

On a simple comparison basis, we believe that the Commission's allowed return on investment is at least one percent below Australia – where you would expect New Zealand to be higher. Further, the situation is made worse by FDR tax.

Anyone would recognise this as unusual and at odds with the Government's objectives.

For a company like Vector that may invest more than \$2.5 billion in its electricity and gas network businesses over the next decade as well as relying heavily on overseas lenders for funding – the draft regulation is an incomplete and inappropriate package.

Back in June the Commission released its draft input methodologies. We are of the strong view that it does not meet the legislative intent and purpose requirements of the Commerce Act.

We have put extensive effort into our submissions in response to these draft methodologies, which you can find on our website.

The Commission's final consultations in respect of the input methodologies are a disappointment. It is clear they have made little progress towards a robust and balanced framework.

We'd like to see the regulatory environment create an outcome that balances customer and commercial interests.

There is still a long way to go in the process, and we expect to continue to incur further costs. Given the influence of regulation on our business, we owe it to all stakeholders to pursue the best possible outcome.



We have led the industry and been a vocal participant in this current regulatory reset process, and will continue to focus on the issue for as long it is necessary to get the right outcome for our business.

We need a complete package that encourages investment and delivers appropriate returns to our investors – both of which serve the long term interest of customers.

Regulation must also provide more incentives to encourage investment in energy efficient solutions, to deliver better customer outcomes and to provide customers with greater choice in areas such as undergrounding.

We'd like to have the option of being able to invest more in New Zealand, give customers greater choice (especially in matters such as undergrounding), but the current environment is not conducive.

The changes to the Commerce Act - that we advocated for – have changed the game. We now have options to challenge the Commerce Commission's decisions, and we will consider the full range of options available to us as we continue this process.

Following the release of information from the Commerce Commission this morning, Vector has 20 days to lodge a merits review – in other words, challenge the outcome – if we deem it appropriate.

We remain focused on ensuring the Commerce Commission fulfils its obligations under the purpose statements articulated in the Commerce Act.

Those are our thoughts on the regulatory environment. Now its time to talk about our unregulated businesses. Firstly, Gas wholesale.

Our competitive gas wholesale segment is made up of a number of distinct businesses. It is affected by the issues of redetermination, legacy contracts, emissions trading and a changed business model for Liquigas that Michael has already talked about.

As we've already noted, our legacy gas contracts continue to wind down, meaning that we will no longer have access to low priced gas.

As you'd expect, our team has been busy finding new medium term gas supply contracts, and on the sell-side we have rebalanced our portfolio and won contracts to supply a number of blue chip customers.

In the past year we began exporting LPG to the Pacific Islands.

Our LPG distribution business OnGas increased its share of the LPG cylinder market, grew its presence with the purchase of two regional businesses, and now has more than 28,000 customers.

For the first quarter to 30 September we saw this trend continue with gas liquids sales increasing by 6.2%

Last year, Shell and Todd commenced a redetermination process for the Kapuni field.

To protect our rights we engaged international experts to review the field information. They clearly identified that there is still plenty of gas left in the field.

Interestingly, the latest disclosure of field reserves by the miners to the Ministry of Economic Development shows an increase in estimated reserves.

Turning now to the emissions trading scheme – we have done a lot of work to understand the possible impact of the regime on our business. Many of our gas contracts were drafted long before the advent of ETS, and it is likely that we will be contesting ETS liabilities in relation to some of our gas contracts.

We believe that the emissions trading scheme will be cost neutral to Vector.

We competed against local and international suppliers to deliver smart meters to two major electricity retailers. Since winning those contracts our business has gone from strength to strength.

In January we purchased the remaining 50% of AMS, the metering service company that we jointly owned with Siemens.

Since then we have lifted our game even further, accelerating our smart meter installation rate, to nearly 10,000 per month, a significant improvement on last year.

At the end of September, the number of Vector smart meters deployed has reached 143,620, and our install rate is three times that of a year ago

2010 was another year of good revenue growth for our technology businesses. Vector Communications showed strong growth, providing higher value services to an expanded customer base that includes mobile phone networks, television networks and internet service providers. We also began delivering fibre services in Christchurch for our Auckland-based customers, through arrangements with our New Zealand Regional Fibre Group colleague, *Enable Networks*.

And we continue to grow our fibre network.

I'm sure you're all aware that Vector is a major contender to provide fibre services to Auckland as part of the Government's ultra fast broadband project.

In a few moments I'll talk about why Vector is the right partner for the Government.

Keeping the lights on and working with Transpower to ensure there is enough energy capacity coming into Auckland is the critical task for security of supply.

I am pleased to note that the conditional agreement reached with Transpower that grants access to some of our assets including our tunnel, is a positive step in working together to deliver transmission security of supply across the Auckland region.

The agreement also generates proceeds of \$53 million, and enables us to more cost effectively upgrade some of our central Auckland and North Shore sub stations.

In addition to this, I'm sure you're all aware that the Rugby World Cup is coming. There is less than a year to go before the first game kicks off. We have been working with the tournament's organisers and other key suppliers, providing advice and technical support. We have also brought some of our capital projects forward to meet planned works requirements.

We have told you previously about our investigations into alternative technology and in particular, solar and wind energy.

As a leading energy infrastructure company it's our job to make sure that we keep abreast of all of the latest developments. This includes being ready for the effect on our network of things like photo voltaic energy and the time when our customers have more choice and could be selling electricity back to the market.

Our latest news in this area includes partnering with Hubbard Foods to trial New Zealand's largest thin film solar panel installation. This is situated in Mangere, and can be seen from the airport motorway, just south of Mangere Bridge. It generates enough energy for three and a half homes. You may have noticed the solar panel display as you came into the room this afternoon.

We are testing the suitability of this technology for New Zealand conditions, and measuring how our electricity network is impacted by this technology. We'll also develop an understanding of its viability – both commercially and technically.

At one of Auckland's newest developments – Hobsonville Point – we have integrated our networks combining fibre, smart metering and electricity as well as solar panels. We have future proofed the development's electricity infrastructure to take advantage of emerging technologies and alternative energy generation.

While the cost of renewables is falling quickly, they are not yet completely economically viable.

But like many new technologies, early adopters are installing the technology for wider reasons.

In the past two years the cost of PV panels has come down by 50% and we envisage a time in the not too distant future where the cost to install will be close to grid generated electricity.

Looking forward, the growth in our core networks is largely linked to Auckland's growth, and represents a strong opportunity for the business.

Over the next 20 years, Auckland's population is forecast to increase by nearly 30 percent – there'll be new homes and businesses, and with that demand for electricity, gas, new technology and fibre connections.

Over the next decade our capex and maintenance spend will be close to \$2.5 billion in our network assets.

We are only 20 percent of the way through our smart meter deployment, with 400,000 more to install over the next four years. There is still growth potential in the smart meter sector, and we are pursuing other commercial opportunities that leverage the scope this technology deliers.

The changes to the Electricity Act give us options in areas that previously have been off limits that we will evaluate

And of course, we are still very much in the game in respect of the ultra fast broadband initiative, and the rural broadband initiative

We strongly believe that we are the right company to partner with the Crown and provide Auckland's fibre solution

We have an existing open access fibre business and are ready to expand our fibre network **now**.

We're infrastructure experts, and because we are predominantly locally owned more than 95% of our dividend stays in New Zealand.

Open access networks is what we do, and we've had a fibre network for the past 10 years.

We have the best solution for Auckland, with no legacy copper assets, or complex structural issues to contend with.

And as we have stated numerous times, we are open to alternative models and partnerships, but the current process does not provide for this.

If we are the successful bidder, our shareholders will benefit on two fronts - economically and socially.

We have advocated for, and are already delivering, open access fibre to the door. We have the best solution for New Zealand – locally owned, simple, clean, fast and ultimatum free.

We're ready to start expanding our fibre network by the end of the year, in line with the Government's election promise.

Looking forward, we envisage steady growth – from a low base. Economic conditions remain delicately balanced.

Underlying growth in our network businesses will continue, and we will keep developing growth opportunities, and driving productivity.

We have a good growth options with our smart meter business, where there is still opportunity to expand beyond our current contracts, both organically and by acquisition.

And we have worked hard to be well positioned in respect of the ultra fast broadband opportunity

2011 has started well, and we remain on track with the guidance we provided at our annual results.

In closing, our people make Vector a great company, and our very good financial and operational result is due largely to the effort and dedication of our team and guidance from the board. I'd therefore like to acknowledge our staff, and also thank the board and shareholders for their support.

Before I hand back to the Chairman.

At last year's AGM we ran a prize draw for tickets to the Vector Arena.

We're doing the same again this year.

To enter, complete an entry form, you just need to correctly answer two very simple questions about our safety and solar panel displays

Michael will make the draw during afternoon tea.

Please take a few moments to visit the displays and see what we're doing to teach school kids about electricity, have a look at our award winning safety DVD "Crossing the Road to Safety" and learn about the latest solar panels.

I'll now hand you over to Michael.

Thank you Simon.

We now move into the formal business of the day, and I'd like to explain the procedure for the remainder of the meeting.

As detailed in the Notice of Meeting, the agenda items involved three matters for consideration as ordinary resolutions. Each of the resolutions requires a majority of 50 percent or more of votes validly cast.

As provided for in Vector's constitution, I have decided to require all resolutions to be voted upon by poll to ensure the most accurate reflection of shareholders' wishes, including all of those represented by proxies.

Each resolution will be moved and discussed in turn.

When all resolutions have been moved and discussed, I will invite you to vote on all of them using the voting form sent to you with the Notice of Meeting, or provided to you when you entered this meeting.

I will explain the voting procedure to you in more detail at that time.

The closing date for the receipt of proxies was 2.00pm on Wednesday, 20 October 2010.

In the interests of transparency, it is appropriate that you are aware of the proxy voting position for each of the resolutions to be voted upon, so we will show this on the screen for each resolution.

Also for transparency, you will be shown the number of discretionary proxies held by me as chairman of the meeting or in my own name. I declare now that it is my intention to vote the discretionary proxies I hold in favour of the resolutions.

During discussion of the agenda items, I ask that you confine your questions and any comments directly to the particular matter before the meeting.

The General Business session provides you with the opportunity to broaden discussion into other relevant matters.

It is quite likely that some of you here today are also Vector's customers.

We are of course happy to hear your views on how we operate our utility services generally, and to answer questions about our operational policies and practices.

If you have a personal matter relating to Vector's utilities supplying your property, we have customer services representatives available after the meeting.

I remind everyone here that this is a meeting of and for our shareholders. Only shareholders or corporate representatives or proxy holders for shareholders are entitled to speak and vote here today.

As stated in the Notice of Meeting, only shareholders registered at 5.00pm Tuesday, 19 October 2010, or their proxies or representatives are entitled to vote on the resolutions.

If you have become a shareholder since that date, you are not entitled to vote at this meeting, but your attendance is appreciated.

I am aware that members of the news media are present. Simon and I will be happy to talk to you after the meeting if you wish. Please see our communications team with your requests.

In the interests of allowing everyone who wishes to speak to do so, I would ask you to limit yourselves to a reasonable speaking time.

Remote microphones are available throughout the room. If you wish to speak please raise your hand, and wait for the arrival of the microphone. This will ensure that everyone present will hear the questions asked, and the comments made.

To assist in keeping an accurate record of proceedings, I ask speakers to clearly give your name and, where applicable, the organisation or shareholder you represent.

The first item of business is to invite discussion on Vector's financial and operational results for the year ended 30 June 2010.

The annual report was available online from 20 September, and hard copy reports have been sent shareholders who requested a copy.

Questions on this topic may be put directly to our external auditors, KPMG. However, these should be relevant to their auditing role.



Is there any discussion in respect of the annual report, the financial statements and audit report for the year ended 30 June 2010?

*(When all who wish to speak have done so...)*

There being no [further] questions or discussion on this matter, I shall now move to the second item of business, the election of directors, and invite Chair of the audit committee Alison Paterson to conduct this part of the meeting.

Thank you Michael.

The NZX Listing Rules, which are incorporated into our Constitution by reference, require that at least one third of directors – or the number closest to a third – to retire from office at each annual meeting. The retiring directors are those who have been longest in office since their last re-election.

Accordingly, three Directors must retire by rotation at this meeting. Those directors are Peter Bird, Michael Stiasny and Bob Thomson.

Being eligible, Peter Bird, Michael Stiasny and Bob Thomson are available for re-election.

As required by the NZX listing rules, on 27 August 2010 Vector issued a notice advising a closing date of 13 September 2010 for director nominations. No nomination to elect an additional director was received.

Biographies of each director seeking re-election are contained in the explanatory notes to the notice of meeting.

The meeting is now asked to consider ordinary resolutions to re-elect Peter Bird, Michael Stiasny and Bob Thomson as directors.

Peter Bird has been a Vector independent director since 2007. He is a managing director of investment banking at Rothschild. His extensive international experience includes advising large corporates and governments on a range of issues including acquisitions and disposals, privatisation, project and acquisition financing, mutualisation, insolvency and debt restructuring. He has also advised utilities and public sector bodies on competitive solicitations and tender design and has advised governments on energy industry restructuring.

I now move, as an ordinary resolution, that Peter Bird be re-elected as a director.

The proxy voting position is shown on the screen. Is there any discussion on this resolution?

*(When all who wish to speak have done so...)*

Chairman and independent director Michael Stiasny is a chartered accountant and partner of KordaMentha in Auckland. He has significant experience in investigating accountant work, company restructuring, due diligence and insolvency. He is a director of a number of public and private companies, and chairman of the New Zealand Racing Board. Michael is a Fellow (FinstD) and council member of the Institute of Directors of New Zealand Inc, and chairman of the Institute's Auckland branch.

I move, as an ordinary resolution, that Michael Stiasny be re-elected as a director.

The proxy voting position is shown on the screen. Is there any discussion on this resolution?

*(When all who wish to speak have done so...)*

Independent director Bob Thomson has been on the Vector board since 2005. He was chief executive of Transpower Limited, and has been an adviser to the Energy Trusts of New Zealand since 2004. He held a range of senior management and engineering positions in the New Zealand Electricity Department and Electricity Corporation of New Zealand Limited prior to his appointment with Transpower. He was involved in the reform of the electricity industry, including being a board member of the Electricity Market Company Limited from 1994 to 1998. He is a Fellow of the New Zealand Institute of Engineers.

I move now as an ordinary resolution, that Bob Thomson be re-elected as a director.

The proxy voting position is shown on the screen. Is there any discussion on this resolution?

Thank you Alison. Just to remind shareholders, that voting will be by poll conducted later in the meeting when all resolutions have been moved and discussed.

This is to record the reappointment of KPMG as auditor of the company, to hold office from the conclusion of this meeting until the conclusion of the next annual meeting pursuant to section 200 of the Companies Act 1993.

I move by way of an ordinary resolution, that the directors are authorised to fix the auditor's remuneration for the ensuing year.

I move this resolution accordingly.

The proxy voting position is shown on the screen. Is there any discussion on this resolution?

Included in this year's agenda is a proposed increase in directors' fees. You may recall that the 2008 AGM agenda item to increase directors' remuneration was withdrawn.

We now feel that the time is right to propose a modest increase in directors' remuneration as outlined in the notice of meeting and supported by an independent consultant's report.

I move now as an ordinary resolution, that the remuneration of the directors be increased as proposed.

The proxy voting position is shown on the screen. Is there any discussion on this resolution?

We will now therefore vote on the resolutions before the meeting.

If you are a shareholder, you should have to hand the Proxy Form/Voting Paper that was sent to you with the Notice of Meeting.

When you cast your vote, please tick one box, either "for", "against" or "abstain", alongside **each** resolution in the section marked "Part B: Voting Instructions/Voting Paper".

If you are a shareholder, but did not bring your Proxy Form/Voting Paper, you should have been given an alternative voting form when you arrived.

If you hold a proxy on behalf of a shareholder you will need to cast that shareholder's votes in order for them to be counted.

The proxy voting form given to proxy holders, sets out the number of proxy votes held and records directed votes.

If there are no "undirected" votes the proxy holder need only sign the voting form.

Where there are undirected votes, proxy holders may vote these as they see fit by ticking the appropriate box "for", "against" or "abstain", alongside each resolution.

Finally, in all cases, please ensure the voting form is signed before you pass it in for counting.

I remind you that you are voting on each separate resolution as detailed in the Notice of Meeting and as listed on your voting form.

Once you have completed voting, your voting form will be collected and the votes counted under the scrutiny of the auditor.

While that is occurring, I shall invite discussion under General Business.

If anyone is unsure what to do, or if there is anyone here who is entitled to vote, but has not got a voting form, please make your way to the registration desk at the entrance to this room. There are people there to help you.

Thank you. I now ask that you cast your votes.

Ladies and gentlemen. The voting forms will now be counted.

I will now move into the General Business session, at the conclusion of which, I will close the meeting. The results of the vote will subsequently be announced to the NZX.

This session provides an opportunity for shareholders to ask questions or to comment on other matters relevant to Vector's activities and management.

I again ask that speakers provide their name and, where relevant, who they represent. This will help in keeping an accurate record of the proceedings.

A reminder, please, to await the arrival of the microphone before speaking.

Are there any matters of General Business that anyone wishes to raise?

Are there any further questions?

Ladies and gentlemen, that concludes the business to be conducted at this Annual Meeting. On behalf of the Directors, thank you for your attendance and for your contribution to the proceedings.

I'd also like to take this opportunity, on behalf of the directors and shareholders, to thank Vector's management and staff for their efforts during the year, and for their continuing commitment to managing current, and no doubt new challenges as we go forward.

I now declare the 2010 Annual Meeting of Vector Limited closed.