

PLEASE READ

# NOTICE OF 2018 ANNUAL MEETING VECTOR LIMITED

NOTICE IS GIVEN THAT THE 2018 ANNUAL MEETING OF VECTOR LIMITED WILL BE HELD IN THE SOUTH LOUNGE, LEVEL 4, EDEN PARK, REIMERS AVENUE, MOUNT EDEN, AUCKLAND, NEW ZEALAND, ON **MONDAY 12 NOVEMBER 2018, COMMENCING AT 2.00PM** \_\_\_\_\_

A NEW VENUE  EDEN PARK, MOUNT EDEN

## AGENDA

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### A. ORDINARY BUSINESS

#### ● CHAIRMAN'S AND GROUP CHIEF EXECUTIVE'S REPORTS

Reports from the Chairman and the Group Chief Executive on the financial year ended 30 June 2018, including consideration of the financial statements and the audit report. (See Explanatory Note 1, on page 3.)

#### ● ELECTION AND RE-ELECTION OF DIRECTORS

Earlier in the year, the Board appointed David Bartholomew and Sibylle Krieger as directors of the Company. In accordance with NZX Main Board Listing Rule 3.3.6 David Bartholomew and Sibylle Krieger retire and, being eligible, offer themselves for election. The meeting will be asked to consider by ordinary resolution:

1. To elect David Bartholomew as a Director of the Company.
2. To elect Sibylle Krieger as a Director of the Company.

In accordance with NZX Main Board Listing Rule 3.3.11, Michael Stiassny and Dame Alison Paterson retire by rotation and, being eligible, Dame Alison Paterson offers herself for re-election. Michael Stiassny is not standing for re-election. The meeting will be asked to consider by ordinary resolution:

3. To re-elect Dame Alison Paterson as a Director of the Company.

(See Explanatory Note 2, on page 3.)

Biographies of David Bartholomew, Sibylle Krieger and Dame Alison Paterson are set out on page 4.

#### ● APPOINTMENT AND REMUNERATION OF AUDITOR

The meeting will be asked to consider by an ordinary resolution:

4. To record the automatic reappointment of the Auditor, KPMG, and to authorise the directors to fix the remuneration of the Auditor for the ensuing year.  
(See Explanatory Note 3, on page 3.)

#### ● RESOLUTIONS PROPOSED BY ENTRUST

At the request of Vector's majority shareholder, Entrust, the meeting will be asked to consider by ordinary resolution:

5. To remove James Carmichael as a Director of the Company.
6. To elect Michael Buczkowski as a Director of the Company.

(See Explanatory Note 4, on page 3.)

Biographies of James Carmichael and Michael Buczkowski are set out on page 4.

### B. GENERAL BUSINESS

To consider such other business as may properly be raised at the meeting.

By Order of the Board



John Rodger  
General Counsel and Company Secretary  
23 October 2018

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**ORDINARY RESOLUTIONS:** Ordinary resolutions are required to be approved by a simple majority of more than 50% of votes validly cast at the Annual Meeting.

**SHAREHOLDERS ENTITLED TO ATTEND AND VOTE:** Under section 125 of the Companies Act 1993, the Board has determined that, for the purposes of voting at the Annual Meeting, only those registered shareholders of the Company as at 5.00pm on Friday 9 November 2018, being a day not more than 20 working days before the meeting, shall be entitled to exercise the right to vote at the meeting.

**PROXIES:** Any shareholder entitled to attend and vote at the meeting may appoint a proxy (or representative in the case of a corporate shareholder) to attend and vote on behalf of the shareholder. A proxy need not be a shareholder of the Company. You may appoint the "Chairman of the Meeting" as your proxy if you wish. If, in appointing a proxy, you have inadvertently not named someone to be your proxy (either online or on the enclosed proxy form), or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy and will vote in accordance with your express direction. A proxy form accompanies this Notice of Meeting. Proxy forms must be received at the office of the Company's share registry, Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand (Private Bag 92119, Auckland 1142), or at the Company's registered office, Level 4, 101 Carlton Gore Road, Newmarket, Auckland 1023, by 2.00pm on Saturday 10 November 2018. Alternatively, you can appoint a proxy online at [www.investorvote.co.nz](http://www.investorvote.co.nz). Online proxy appointments must be received by 2.00pm on Saturday 10 November 2018. Please see your proxy form for further details. The chairman intends to vote all discretionary proxies given to him in favour of resolutions 1 to 4 and by exercise of his discretion on resolutions 5 and 6 having had regard to any indication at the annual meeting of Vector shareholders on how the trustees of Entrust plan to vote.

**The directors invite attendees at the Annual Meeting to join them for light refreshments at the conclusion of the meeting.**

## EXPLANATORY NOTES

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### A. ORDINARY BUSINESS

#### ● EXPLANATORY NOTE 1 – CHAIRMAN'S AND GROUP CHIEF EXECUTIVE'S REPORTS

The Chairman and the Group Chief Executive will each give a presentation on the financial year ended 30 June 2018. Events occurring after 30 June 2018 will also be discussed.

#### ● EXPLANATORY NOTE 2 – ELECTION AND RE-ELECTION OF DIRECTORS

The NZX Main Board Listing Rules require that directors appointed by the Board retire at the next annual meeting but shall be eligible for election at that meeting. Earlier in the year, the Board appointed David Bartholomew and Sibylle Krieger as directors of the Company. They retire at this Annual Meeting, but, being eligible, offer themselves for election.

The nominations committee of the Board (which currently comprises all members of the Board) unanimously agreed to support the election of both David Bartholomew and Sibylle Krieger.

The NZX Main Board Listing Rules require that at least one third of the Company's directors or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. The directors to retire are those of the directors who have been longest in office since their last election.

Two directors are required to retire at this meeting. Michael Stiasny and Dame Alison Paterson are the directors who are the longest in office and they retire by rotation at this Annual Meeting and, being eligible, Dame Alison Paterson offers herself for re-election. Michael Stiasny is not standing for re-election.

On 14 August 2018 the Board Audit Committee determined, for the purpose of finalising Vector's annual report disclosures, that Michael Stiasny, Dame Alison Paterson, Jonathan Mason, Bob Thompson, David Bartholomew, and Sibylle Krieger were Independent Directors (as defined in the current NZX Main Board Listing Rules) as at 30 June 2018. Under Listing Rule 3.3.3, within 10 business days of the annual meeting the Board will need to make a further determination which of its then directors are Independent Directors for the purposes of the NZX Main Board Listing Rules. Biographical details for the directors proposed to be elected or re-elected by rotation are set out on page 4.

#### ● EXPLANATORY NOTE 3 – APPOINTMENT AND REMUNERATION OF AUDITOR

Section 207T of the Companies Act 1993 provides that a company's auditor is automatically reappointed unless there is a resolution or other reason for the auditor not to be reappointed. The Company wishes KPMG to continue as the Company's auditor, and KPMG has indicated its willingness to do so.

Section 207S of the Companies Act 1993 provides that the fees and expenses of KPMG as auditor are

to be fixed by the Company at the Annual Meeting or in such a manner as the Company determines at the Annual Meeting. The Board proposes that, consistent with past practice, the auditor's fees should be fixed by the directors.

#### ● EXPLANATORY NOTE 4 – REMOVAL AND ELECTION OF DIRECTORS PROPOSED BY ENTRUST

At the request of the Company's majority shareholder, the trustees of Entrust, the meeting will be asked to consider the removal of James Carmichael as a director and the appointment of Michael Buczkowski as a director.

The following explanatory statement has been provided by Entrust in accordance with clause 9 of Schedule 1 of the Companies Act 1993.

1. Entrust considers that in accordance with good governance practice it is timely to refresh one of the Entrust representatives on the Vector Board. Entrust thanks Mr Carmichael for his long service to Vector.
2. Michael Buczkowski has a Bachelor of Electrical Engineering from the University of Auckland and an MBA. His professional experience includes being a Consulting Electrical Engineer at BECA and a registered Electrical Engineer for 15 years. Entrust considers this experience is relevant to Vector and that Mr Buczkowski would bring a fresh perspective and immediately add value to the Vector Board.

The Board has determined, in its view, that Michael Buczkowski, is not an Independent Director (as defined in the current NZX Main Board Listing Rules), as he is a trustee of Entrust (the Company's majority shareholder).

Biographical details for the director proposed by the trustees of Entrust and the director proposed to be removed by the trustees of Entrust are set out on page 4.

At its meeting held on 27 September 2018, the nominations committee of the Board (which currently comprises all members of the Board) agreed to support the election of Michael Buczkowski provided that the trustees of Entrust confirm to the Company how they wish to vote following the upcoming election for trustees of Entrust.

Polling for the Entrust elections closes at 5pm on Friday 26 October 2018 and the public declaration of results is scheduled for Saturday 3 November 2018.

As the trustees of Entrust hold a majority of shares in the Company, the vote cast by the trustees at the meeting will be determinative of the outcome of the two resolutions proposed by the trustees of Entrust.

For this reason, the Chairman of the Company intends to vote all discretionary proxies given to him on resolutions 5 and 6 having had regard to any indication at the annual meeting of Vector shareholders on how the trustees of Entrust plan to vote.

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Biographical details for the directors are set out below.

## BIOGRAPHIES

▶ **DAVID BARTHOLOMEW**

BE (Hon), MBA

David Bartholomew is the former Chief Executive of DUET Group, an ASX-listed utilities and energy company. Aside from Vector, he is a Non-Executive Director of Atlas Arteria, an ASX-listed global infrastructure developer and operator; Endeavour Energy, the NSW electricity distributor; Northern Territory Power & Water Corporation; Dussur, the Saudi Arabia Industrial Investment Company; and The Helmsman Project, a not-for-profit organisation providing coaching and leadership development programs for year 9 students in Western Sydney. Prior to joining DUET, David was Director of Infrastructure at Hastings Funds Management. His prior experience includes roles with Lend Lease, The Boston Consulting Group and BHP Minerals.

▶ **SIBYLLE KRIEGER**

LLB (Hons), LLM, FAICD, MBA

Sibylle is an experienced Non-Executive Director and Board Chair, with a focus on regulated sectors and sectors undergoing rapid change. She has over 35 years of commercial experience. Sibylle is the Independent Chair of Xenith IP Group Limited, a publicly listed company, and an Independent Director of MyState Limited. Sibylle is also an Independent Non-Executive Director of the Australian Energy Market Operator Limited. In the past, Sibylle has served on a range of boards of both for profit and not-for-profit organisations. From 2006-12 Sibylle spent two terms as a Tribunal member of IPART, the principal NSW economic regulator. In her executive career, Sibylle was a partner of 2 major commercial law firms and held a number of management roles in both firms.

▶ **DAME ALISON PATERSON**

DNZM, QSO, DCom(hc), FCA, ADistFInstD

Dame Alison Paterson is Chair of the Forestry Industry Safety Council, Kiwi Wealth Group, Te Aupouri Commercial Development Limited and Te Aupouri Fisheries Management Limited. She is also a Director of Vector Limited, a Member of the New Zealand Markets Disciplinary Tribunal and a member of the Health Quality and Safety Commission New Zealand.

▶ **JAMES CARMICHAEL**

BE, FIPENZ, CMIInstD

James Carmichael is a trustee of Entrust and an executive of Energy Trusts of New Zealand Inc. and a Director of Vector Limited. His significant international energy sector experience included responsibility for multi-billion-dollar energy assets and acquisition strategy for Power-Gen International Limited and thermal and hydro power generation investment decisions for Ranhill Power Berhad.

Mr Carmichael was re-elected by shareholders of the Company at last year's Annual Meeting.

▶ **MICHAEL BUCZKOWSKI**

BE(Electrical), MBA (Hons)

Michael Buczkowski has been a trustee of Entrust since 2000 and is currently Deputy Chairman. He was General Manager Operations at Ricoh and prior to that, Managing Director of Hirepool 1995-2003 and also Director of Owens Industrial (NZX top 40). His professional experience includes: Consulting Electrical Engineer at BECA, registered Electrical Engineer from 1984 to 2004 and international consulting and energy experience. Michael was a Member of IPENZ and a Member of the Institute of Directors.

By email dated 24 July 2018 Michael Buczkowski has been nominated by a majority of the trustees of Entrust.

## HOW TO GET THERE

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### Directions to Eden Park from the Southern Motorway:

- ▶ Take the Khyber Pass Road exit and continue until you reach Symonds Street (750m).
- ▶ Turn left onto Symonds Street (160m) and continue onto New North Road (500m).
- ▶ Keep right to stay on New North Road (900m) then take a slight left onto Sandringham Road (850m).
- ▶ Turn left onto Reimers Ave (400m).
- ▶ Entry and free parking is available in Car Park P5 off Reimers Avenue, please enter via Gate G. Security will assist with directing you to the nearest available car parking spaces.
- ▶ Take the lift to Level 4 and enter the South Level 4 Lounge.

The closest train station is Kingsland train station. For full route, timetable and fare information call Auckland Transport on 09 366 6400 or 0800 10 30 80 or visit [www.at.govt.nz/bus-train-ferry](http://www.at.govt.nz/bus-train-ferry)

### EDEN PARK LOCATION

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### WEBCAST OF ANNUAL MEETING

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If you are unable to attend the annual meeting, but would still like to follow its proceedings, then visit: <http://vector.co.nz/shareholder-meetings>

