

Vector Limited Retail Bond Investor Presentation

November 2021



Disclaimer and important information

This presentation has been prepared by Vector Limited (“Vector”) in relation to the offer (“Offer”) of unsecured, unsubordinated fixed rate bonds described in this presentation (“Bonds”). Alongside this presentation, Vector has lodged with NZX an indicative terms sheet, a “cleansing notice” pursuant to subclause 20(1)(a) of Schedule 8 of the Financial Markets Conduct Regulations 2014 (NZ) (“FMC Regulations”) and various market announcements (together, the “Offer Materials”) in respect of the Offer. The Offer Materials should be read in their entirety before any investment decision is made.

The Offer of the Bonds described in this presentation is made in reliance upon the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (NZ) (“FMC Act”). The Bonds will have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Vector’s existing bonds (which have an interest rate of 3.45% and mature on 27 May 2025), which are currently quoted on the NZX Debt Market under the ticker code “VCT090” (the “Existing Bonds”). The Bonds are of the same class as the Existing Bonds for the purposes of the FMC Act and the FMC Regulations. Vector is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (“NZX”). This presentation should be read in conjunction with Vector’s other periodic and continuous disclosure announcements released to NZX, and can be found by visiting <https://www.nzx.com/companies/VCT>.

The Existing Bonds (VCT090) are the only debt securities of Vector that are in the same class as the Bonds and are currently quoted on the NZX Debt Market. Investors should look to the market price of the Existing Bonds (VCT090) referred to above to find out how the market assesses the returns and risk premium for those bonds.

No information set out in this presentation will form the basis of any contract.

An investment in securities in Vector is subject to investment and other known and unknown risks, some of which are beyond the control of Vector. Vector does not guarantee any particular rate of return or the performance of Vector. This presentation does not constitute a recommendation by Vector or ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Forsyth Barr Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch), (together, the “Joint Lead Managers”) nor any of their respective directors, officers, employees or agents to sell, purchase or retain the Bonds.

None of the Joint Lead Managers nor any of their respective directors, officers, employees and agents: (a) accept any responsibility or liability whatsoever for any loss arising from this presentation or its contents or otherwise arising in connection with the offer of Bonds; (b) authorized or caused the issue of, or made any statement in, any part of this presentation; and (c) make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this presentation and accept no liability thereof (except to the extent such liability arises under the FMC Act or cannot be disclaimed). The Joint Lead Managers do not guarantee the repayment of Bonds or the payment of interest thereon or any other aspect of the Bonds.

Disclaimer and important information

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Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating thereto have been duly complied with. However, NZX accepts no responsibility for any statement in this presentation. The NZX Debt Market is a licensed market operated by NZX, a licensed market operator regulated under the FMC Act. The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice. By attending or reading this presentation, you agree to be bound by the foregoing limitations and restrictions.

For purposes of this disclaimer and important information, “presentation” shall mean the slides, any oral presentation of the slides by Vector, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation.

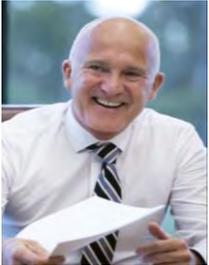
Presenting Today



Simon Mackenzie

Group Chief Executive

Simon was appointed Group Chief Executive in February 2008 and has been with Vector for 20 years. He has extensive experience in the infrastructure sector, including strategy, regulation, network management, information technology and telecommunications.



Jason Hollingworth

Chief Financial Officer

Jason leads Vector's finance team and is responsible for financial and management reporting, corporate finance, procurement, transaction processing, investor relations, treasury and tax. Jason has been in the role since early 2019. Prior to Vector, Jason was CFO at Sky TV for 16 years.



Binaifer Behdin

Group Treasurer

Binaifer leads Vector's Treasury and Corporate Development teams and is responsible for the group's funding and interest rate risk management strategy, the design, placement and management of the Group's insurance portfolio, and providing analytical and transaction support across Vector's many business units. She has been with Vector for 20 years.

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Offer Highlights

Issuer	Vector Limited		
Instrument	Unsecured, unsubordinated, fixed rate bonds		
Rating	Rating Agency	Issuer Credit Rating	Expected Issue Credit Rating
	S&P Global Ratings	BBB (Stable)	BBB
Issue Amount	Up to NZ\$200m, plus up to NZ\$100m oversubscriptions		
Maturity	26 November 2027 – 6 year bond		
Joint Lead Managers	ANZ, Craigs Investment Partners, Forsyth Barr, Westpac		

Vector Group

Vector Board



Jonathan Mason
Independent non-executive
director and chair



Alastair Bell
Non-independent non-executive
director



Tony Carter
Independent non-executive
director



Dame Paula Rebstock
Independent non-executive
director



Bruce Turner
Independent non-executive
director



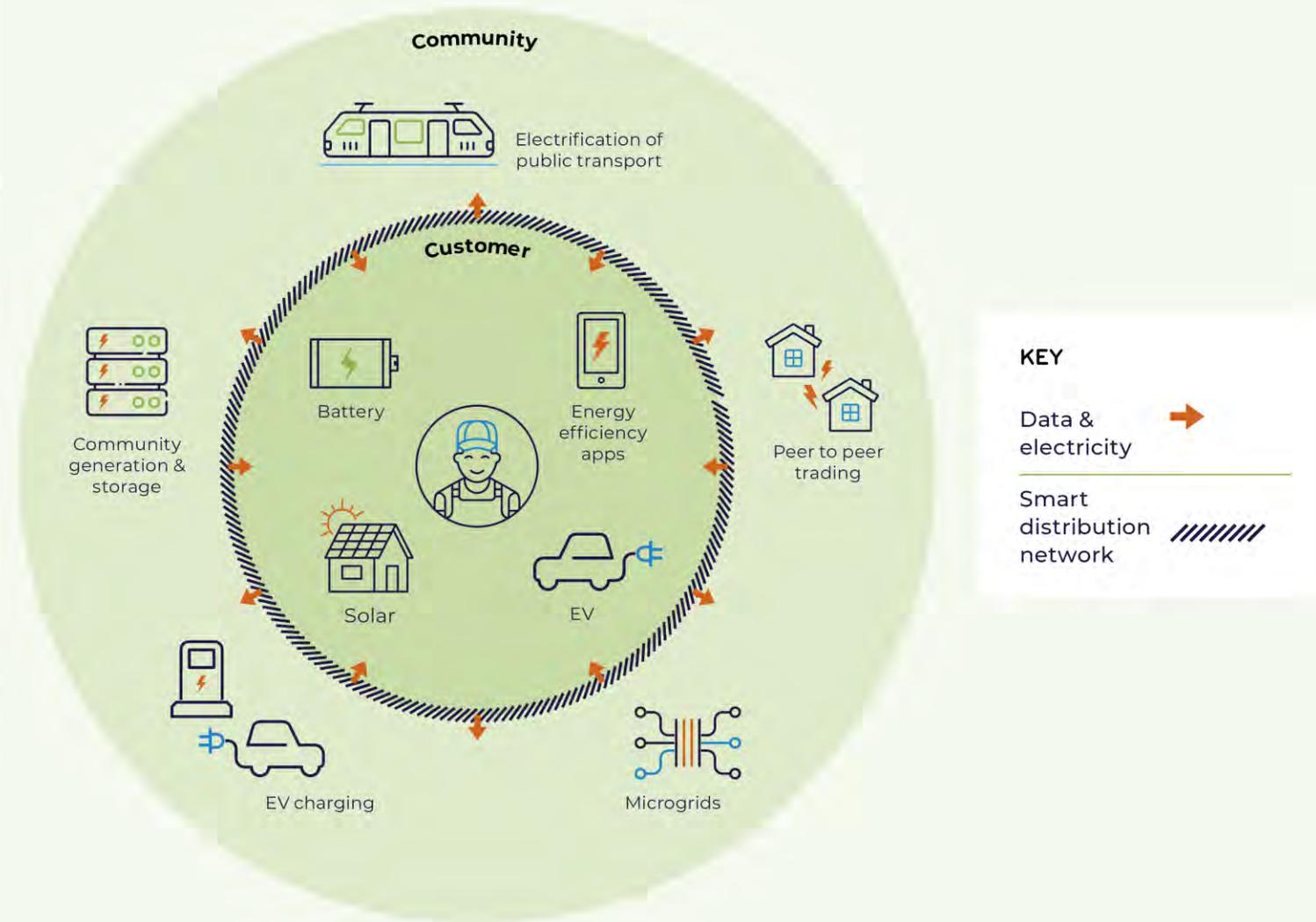
Anne Urlwin
Independent non-executive
director

Vector's Symphony Strategy

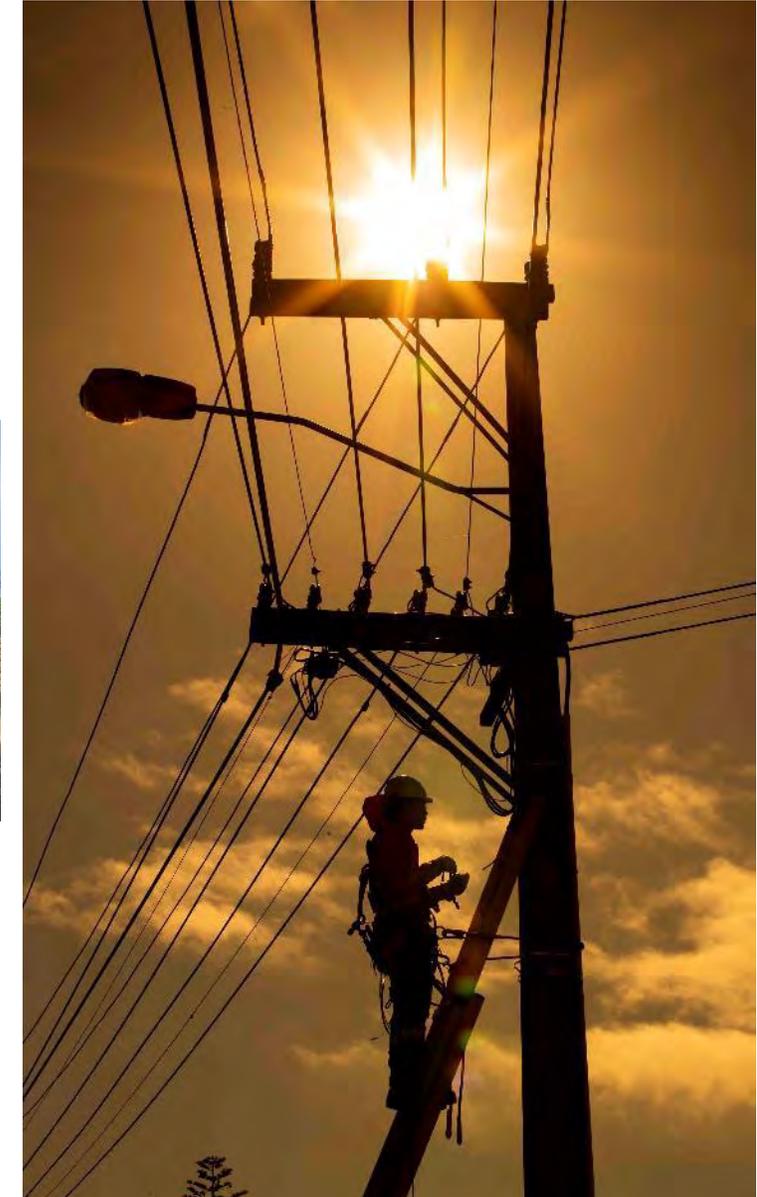
The interplay of today and tomorrow

How we're creating a new energy future:

- Intelligent Distribution Network
- Harnessing the power of data analytics and new technology
- Working with aligned partners and sector specialists to accelerate our progress and ensure best practice
- Working collaboratively across the Vector Group to unlock potential
- Keeping the customer at the heart of every decision
- Connecting network assets and distributed energy resources with a focus on cyber security
- Enabling customers to have cleaner, more reliable and affordable energy
- Advanced meters allowing customers to develop new products and services for changing consumer needs



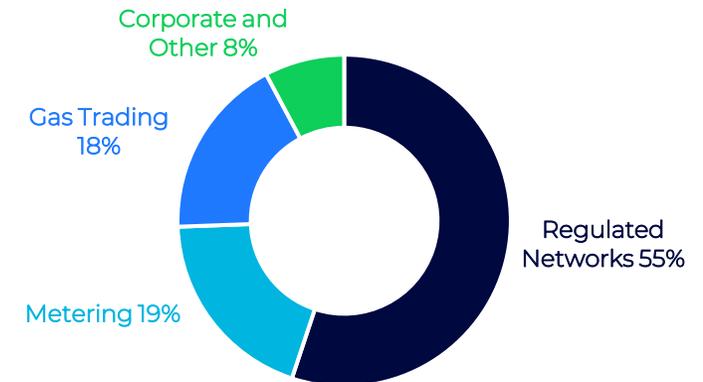
Vector Portfolio



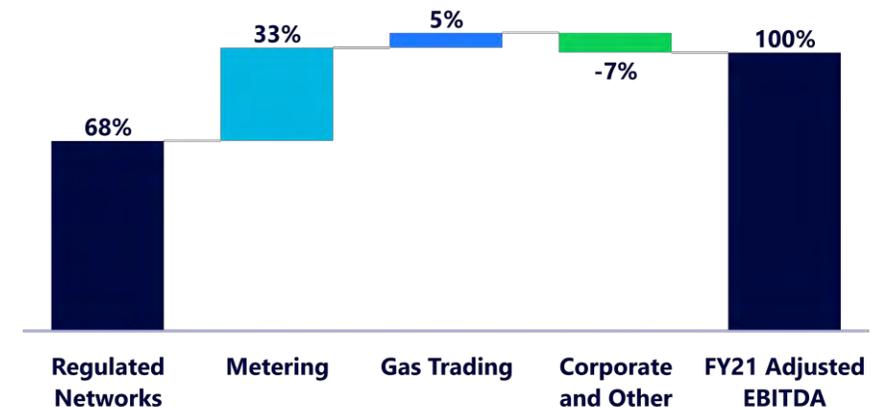
Vector is NZ's Largest Provider of Energy Infrastructure Networks

- NZ's largest owner and manager of energy infrastructure networks
 - #1 electricity distribution business
 - #1 provider of electricity and gas metering
 - #2 LPG business
- ~55% of revenue and ~70% of adjusted EBITDA² sourced from regulated assets, with balance sourced from competitive activities
- Vector reports its financial results in three¹ key segments
 - Regulated Networks
 - Metering
 - Gas Trading

FY21 Segment Revenue



FY21 Segment Adjusted EBITDA

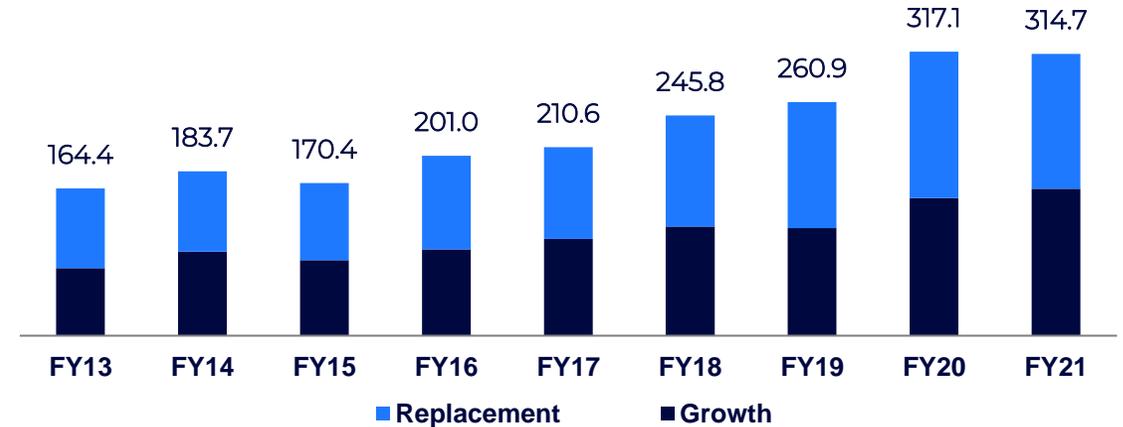


1. Corporate and Other is not a reportable segment
 2. Refer to page 44 of the FY21 Annual Report for adjusted EBITDA definition

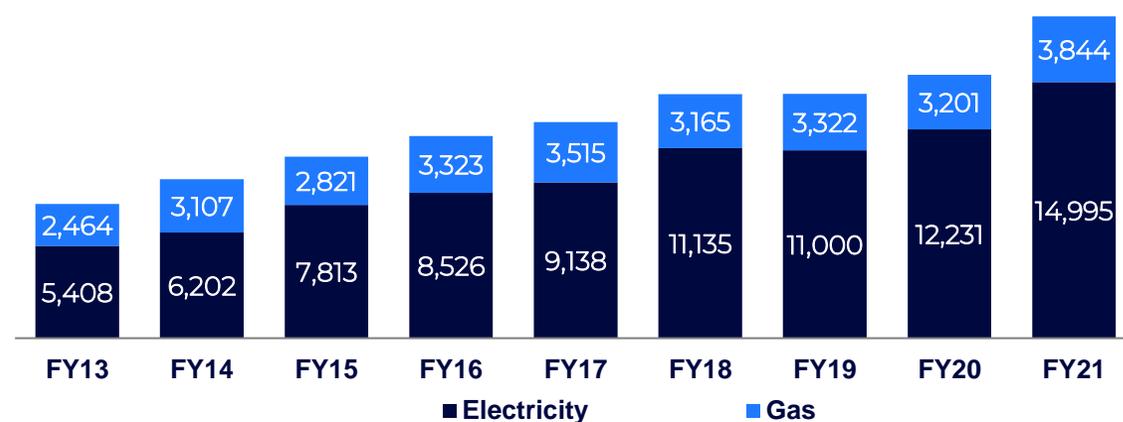
Vector's Regulated Networks Deliver Energy to Auckland Homes and Businesses

- Vector delivers electricity to 590,799¹ and gas to 116,472¹ Auckland homes and businesses
- Significant investment required to support Auckland's rapid growth
- Regulated asset base now at \$4.1bn
 - Electricity ~\$3.7bn²
 - Gas ~\$434m³
- Returns regulated by Commerce Commission
 - Input methodologies provide relative certainty of regulation through 2025
 - Next "reset" for gas in October 2022 and for electricity in April 2025
- Vector is at the forefront of using new technology to ensure network investment is customer focussed, efficient, flexible and future-proofed

Gross Regulated Network Capex (\$m)

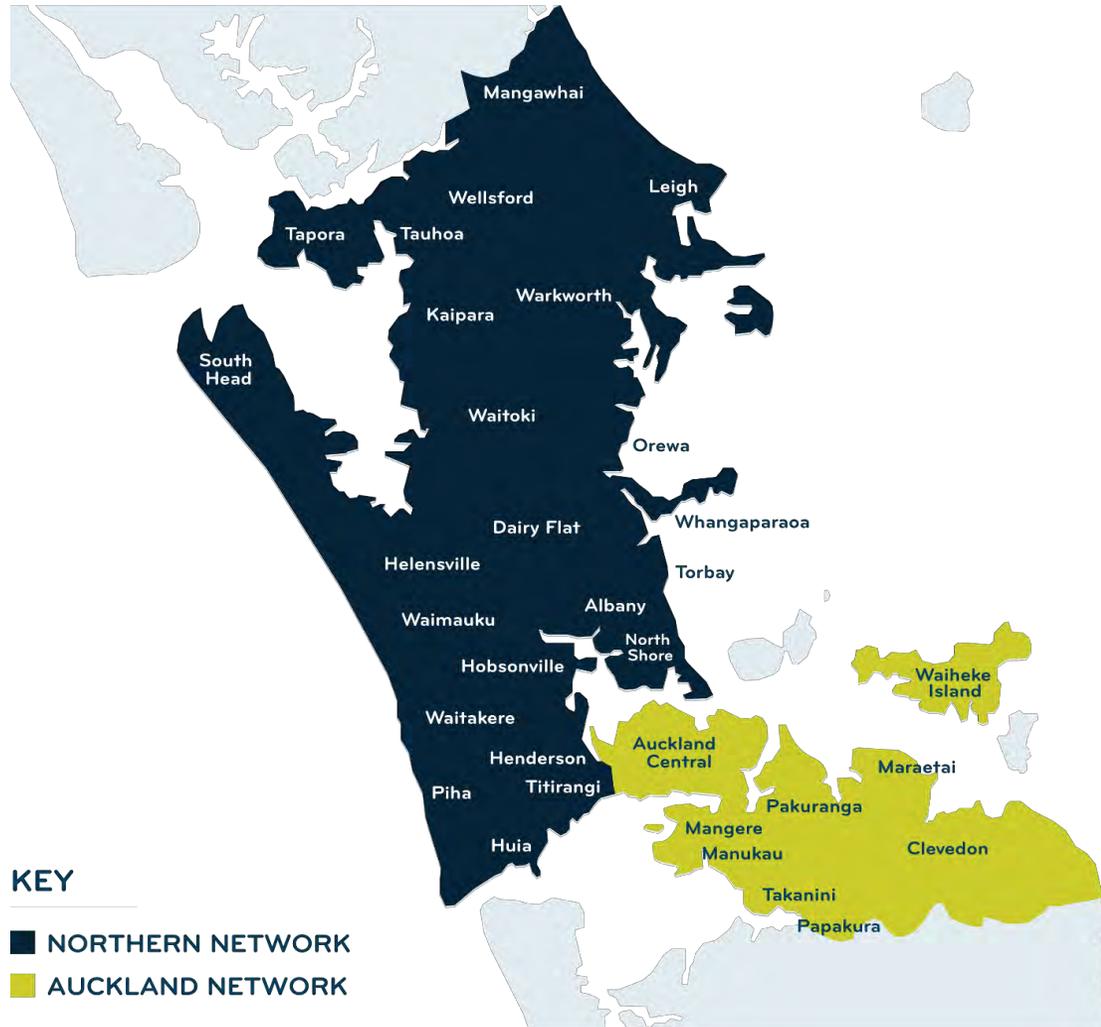


New Connections



1. As at 30 June 2021
 2. As at 31 March 2021
 3. As at 30 June 2020

Electricity Distribution



Electricity network customers¹
590,799 (27% of NZ)

Network length (19,144km)²
Overhead Underground
8,284km 10,860km

Network assets²

Zone Substations:	111
Distribution Substations:	13,218
Poles:	124,750

1. As at 30 June 2021
2. As at 31 March 2021

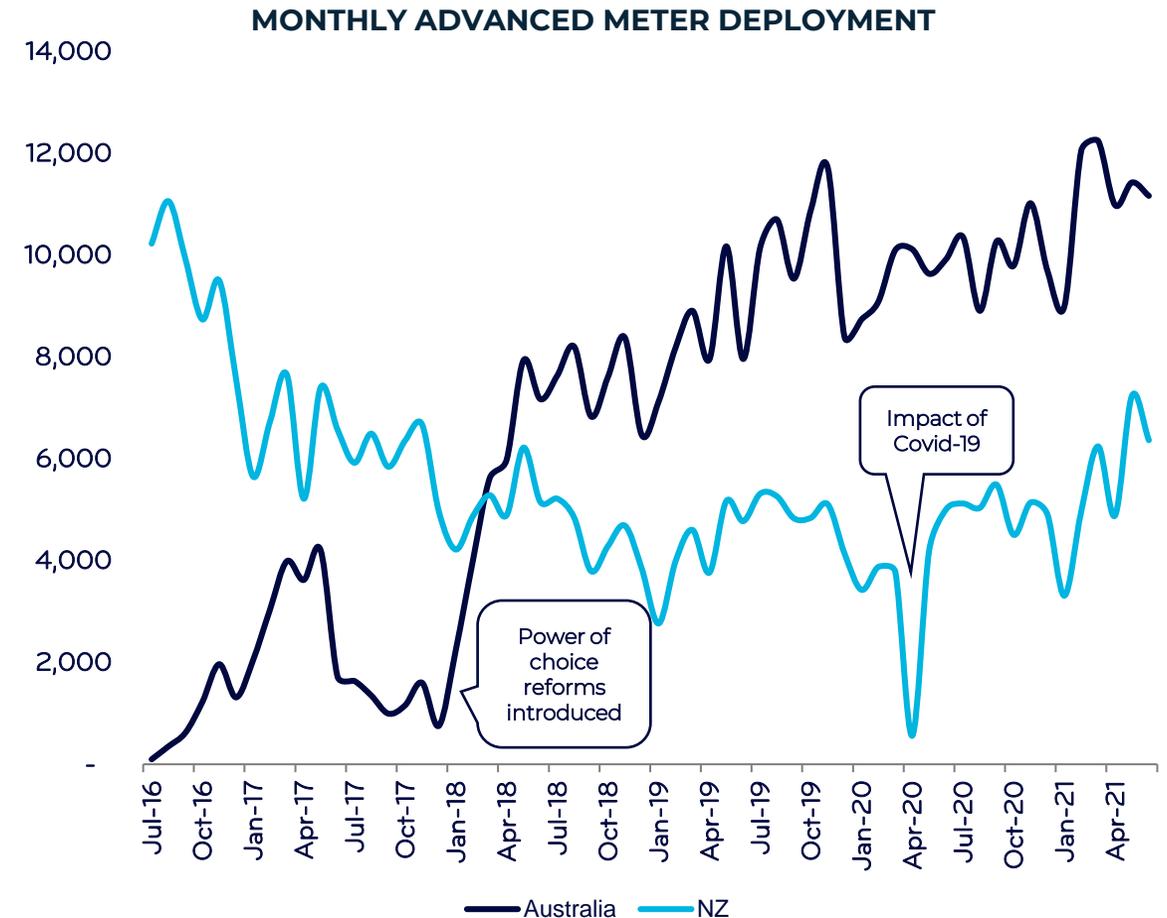
Vector's Metering Business – NZ

- Vector Metering has been installing advanced meters since 2008 and is the largest supplier of competitive metering services in NZ
- 1.5m mass market advanced meters under management¹
- Recently commenced a modem replacement programme
 - This will upgrade approximately 1.1m meters with 4G modems in advance of the expected shutdown of the 2G mobile network in NZ
 - Will enable us to provide services to our customers for a longer period of time
- Vector Metering also owns commercial advanced meters, legacy meters and legacy gas meters. We have also started the rollout of advanced gas meters



Vector's Metering Business – Australia

- Vector Metering entered the Australian market in 2016. We have now deployed almost 400,000¹ advanced meters in Australia and are averaging over 10,000 meter installations per month¹
- The business has grown by partnering with our retailer customers and continuing to earn the right to deploy our meters and provide data services
- Recent major investment in our digital platforms and an increase in stock levels to help mitigate COVID-19 related supply concerns
- Improved service offering in Australia with the recent introduction of remote re-energisation and de-energisation services. These services have already enabled innovative consumer products in NZ

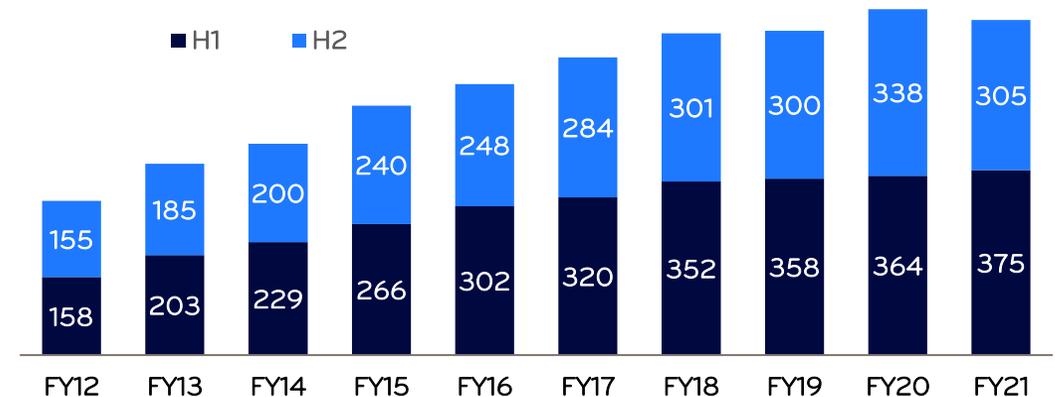


Vector's Gas Trading Business

- Gas Trading business consists of:
 - Natural Gas - wholesale, trading and industrial sales
 - LPG - OnGas sales, distribution and reticulated networks; 60% stake in Liquigas
- Natural gas business has declined over recent years due to local factors such as constrained supply and the loss of a major customer from January 2020
- Vector's LPG operations occupy a strong market position
- LPG operations across the entire NZ, with 17 depots, ~41,000 customers and a large 9kg bottle swap facility in South Auckland



Bottle Swap Volumes ('000 9kg cylinders)



COVID-19 Impact

- As an essential services provider, in the past twelve months we have maintained our focus on ensuring the safety of our people and communities in the face of Covid-19, and ensuring our ability to continue providing our essential products and services
- Vector's largest business, the electricity distribution business, bears no volume risk under the regulated revenue cap methodology
- However in Vector's businesses other than Electricity distribution the impact of Covid-19 may vary due to length of lockdowns

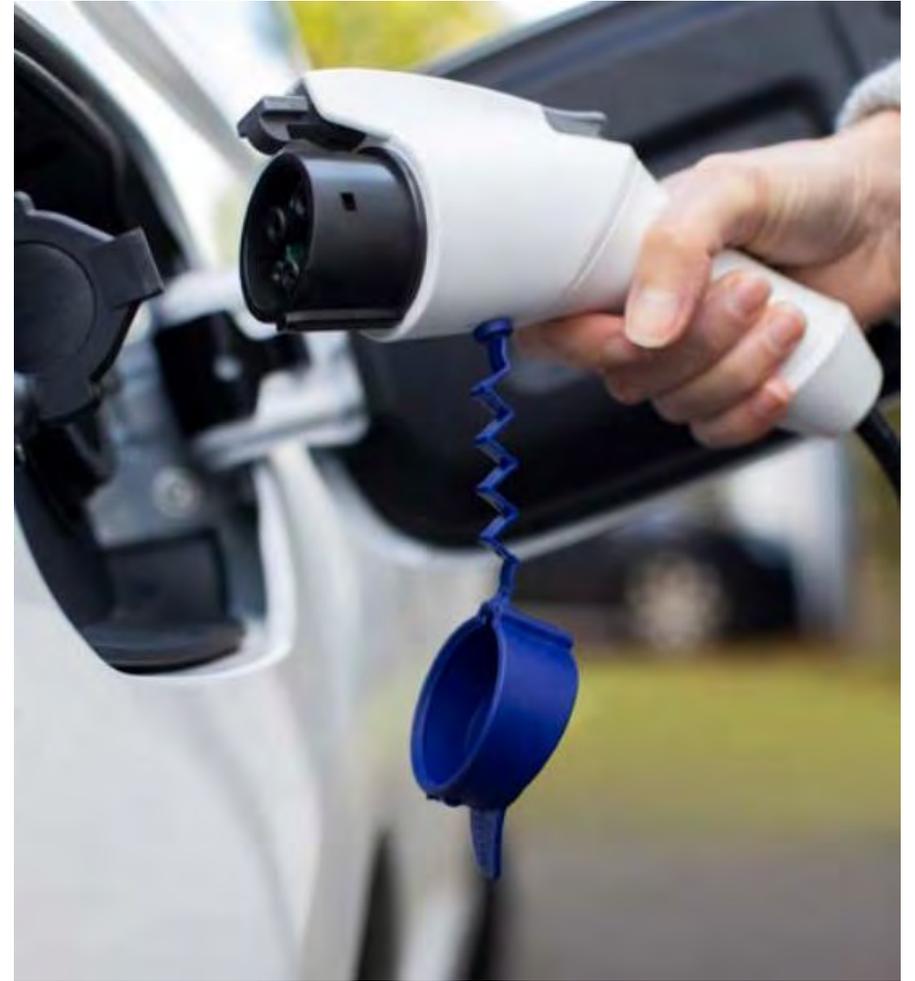
Climate & Sustainability

- Vector is well-positioned to enable decarbonisation within New Zealand, the Asia-Pacific region, and globally, guided by our vision, to create a new energy future
- Detailed information can be found in our TCFD www.vector.co.nz/investors/reports
- Vector’s work is inherently aligned with five priority Sustainable Development Goals, with an ambition to keep global warming under 1.5°C
- Vector has pledged a 53.5% reduction target of Scope 1 and 2 emissions, excluding electricity line losses, by 2030 based on a FY20 baseline. We have already made a reduction of 18% towards this goal



New Developments

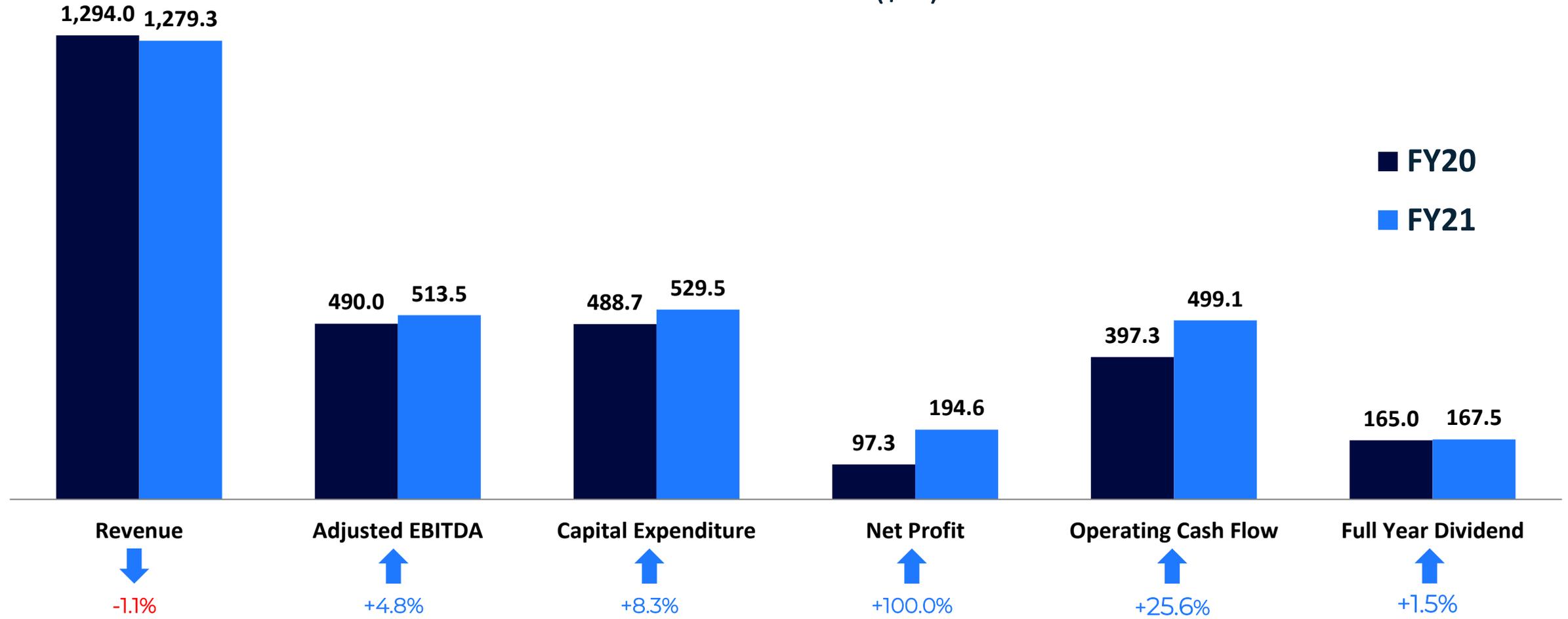
- Developed our strategy to **leverage the infrastructure and technology of our existing businesses** in order to create commercial opportunities
- **Vector Technology Services (VTS)** has been established to take to market solutions developed as part of our digital transformation journey. We are exploring global opportunities for key priority solutions such as the New Energy Platform created through a strategic alliance with **Amazon Web Services (AWS)**, Distributed Energy Resource Management Systems (**DERMS**), cyber security, and others
- Vector Property Services has been established to explore the commercial potential of our property and facilities assets
- Vector is **collaborating with X**, a division of Alphabet (formerly known as Google), to virtualise Auckland's electricity network and support energy decarbonisation



Financial Performance and Capital Management

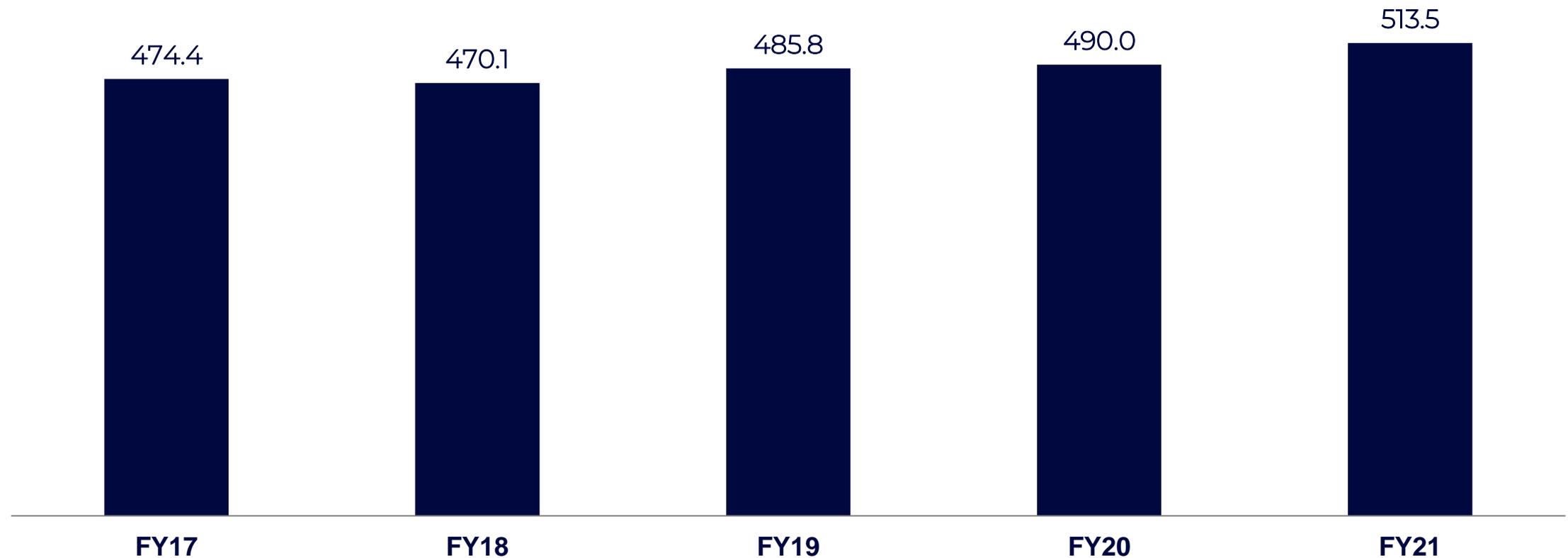
Financial Performance

FY21 Financial Performance (\$m)



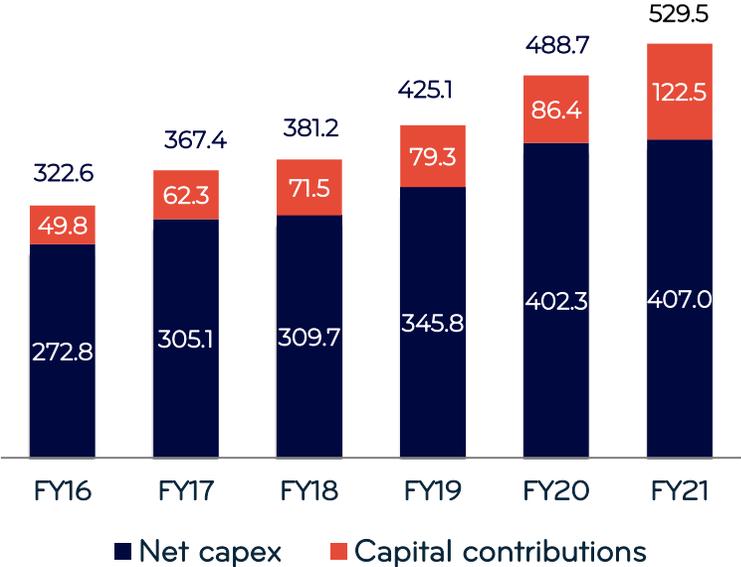
5 Year Group Adjusted EBITDA Performance

Group Adjusted EBITDA (Continuing Operations Only) (\$m, year ended 30 June)



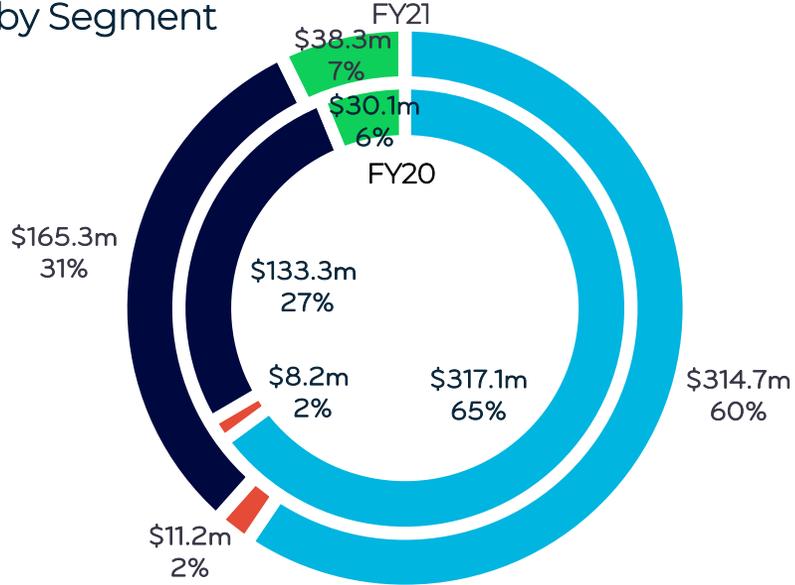
Capex Driven by Auckland Growth and Meter Deployment in Australia

Gross Capital Expenditure (\$m)



Gross Capital Expenditure by Segment

- Regulated Networks
- Gas Trading
- Metering
- Corporate and Other

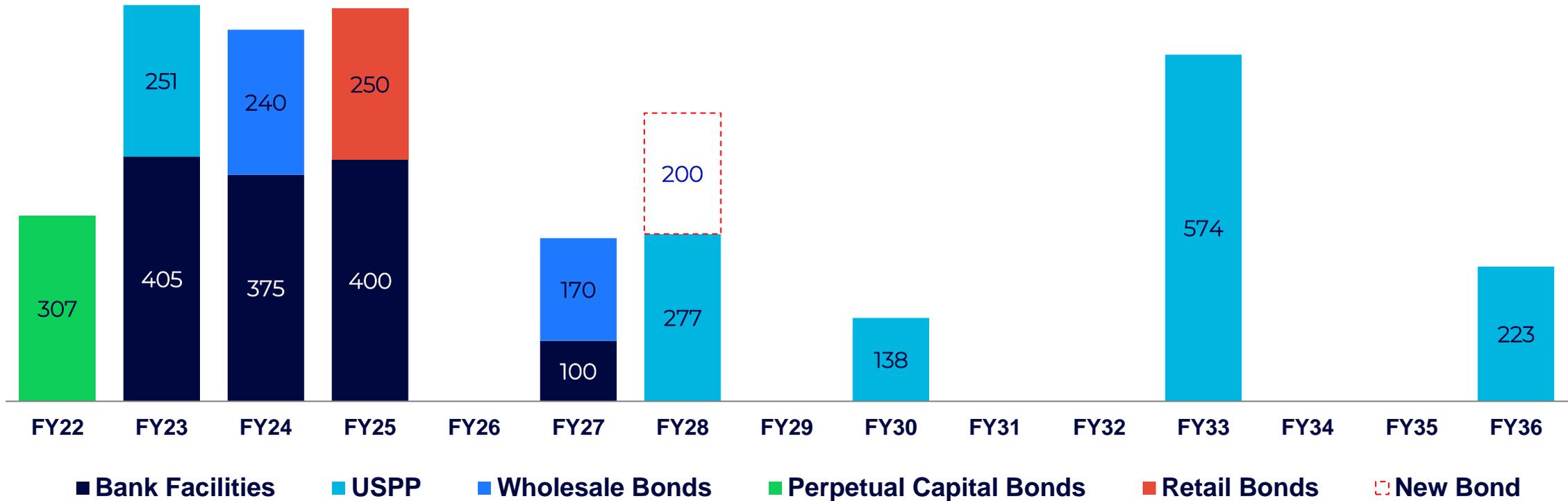


- Gross capex up 8.3% to \$529.5m. Net capex (after deducting contributions) up 1.2% to \$407.0m
- Growth capex up 14.3% to \$333.0m. Replacement capex down 0.5% to \$196.5m
- Metering capex up 24.0% driven by new advanced meters in Australia, 4G modem replacement programme, investment in our digital platforms and an increase in stock levels to help mitigate COVID-19-related supply concerns



Debt Maturity Profile

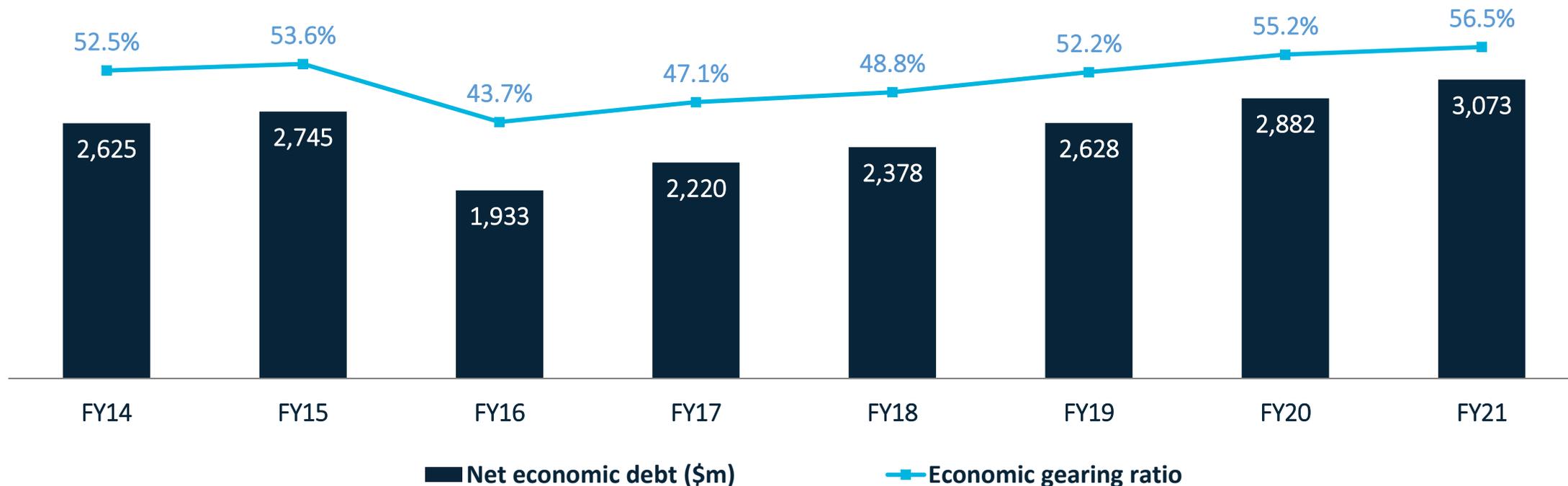
Debt Maturity Profile (\$m)



- Weighted average maturity of our drawn debt portfolio beyond 6 years
- The \$307m perpetual capital bonds interest rate will reset on 15 June 2022 when they will be rolled over

Group Debt

Net Economic Debt and Gearing (\$m)



Note:

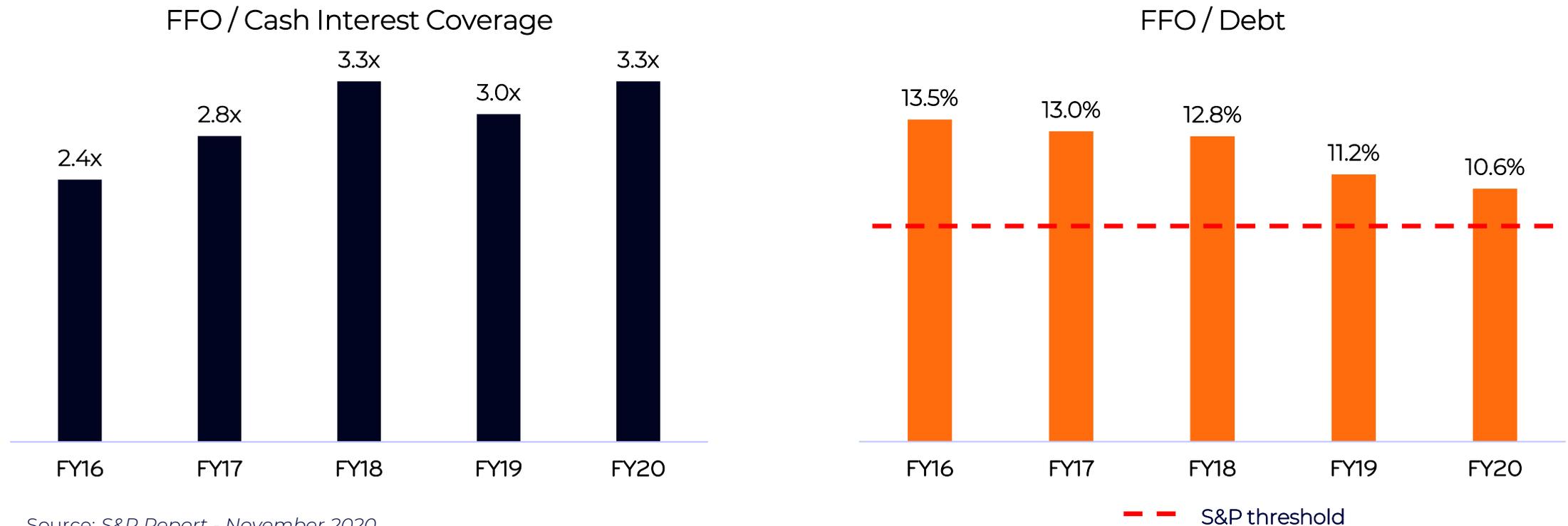
Economic gearing ratio = economic net debt to economic net debt plus adjusted equity.

Economic net debt = borrowings net of cash and short term deposits

Adjusted equity = total equity adjusted for hedge reserves

BBB Investment Grade Credit Rating

Vector rated BBB (stable outlook) by S&P Global Ratings and Baa1 (stable outlook) by Moody's



Source: S&P Report - November 2020

Key Bond Terms and Timetable

Key Terms of the Bonds

Issuer	Vector Limited		
Instrument	Unsecured, unsubordinated, fixed rate bonds		
Rating	Rating Agency	Issuer Credit Rating	Expected Issue Credit Rating
	S&P Global Ratings	BBB (Stable)	BBB
Issue Amount	Up to NZ\$200m, plus up to NZ\$100m oversubscriptions		
Maturity	26 November 2027 – 6 year bond		
Interest Rate	Fixed rate of interest that will be set following the bookbuild. The Interest Rate will be set on the Rate Set Date as being equal to the Swap Rate plus the Issue Margin.		
Indicative Issue Margin	0.95% to 1.10% per annum		
Interest Payments	Semi-annual in arrear in equal amounts		
Financial Covenants	The net debt of the Vector Group expressed as a percentage of the consolidated total capitalisation of the Vector Group shall not exceed 72%		
	At each calculation date, the ratio of EBITDA of the Vector Group to senior interest expense for the 12 month period ending on the relevant calculation date shall be not less than 1.5:1		
Quotation	NZDX under the ticker VCT 100		
Denominations	Minimum \$5,000 holding then \$1,000 increments		
Joint Lead Managers	ANZ, Craigs Investment Partners, Forsyth Barr, Westpac		

Key Dates

Opening Date	Monday, 15 November 2021
Closing Date	12pm, Thursday, 18 November 2021
Rate Set Date	Thursday, 18 November 2021
Issue Date / Allotment Date	Friday, 26 November 2021
Expected date of initial quotation and trading	Monday, 29 November 2021
Maturity Date	Friday, 26 November 2027

Credit Highlights

Key Credit Highlights

NZ's largest electricity distribution business

- Regulatory framework with no volume risk under the regulated revenue cap methodology and strong market position
- Significant investment to support Auckland's rapid growth

#1 provider of electricity and gas metering in NZ

- 1.9m advanced meters installed in NZ and Australia¹
- Over 230,000 gas meters in NZ¹

Significant portfolio of assets

- Strategic alliances and collaborations with AWS and X for key priority solutions such as the New Energy Platforms and supporting energy decarbonization
- Extensive digital and technical capabilities

Investment grade credit rating

- BBB (stable)



1. As at 30 June 2021

Questions



Vector Limited

INDICATIVE TERMS SHEET

For an Offer of 6 Year Fixed Rate Bonds

15 November 2021

Joint Lead Managers



Vector Limited

Unsecured, unsubordinated, fixed rate 6 year bonds

This indicative terms sheet (**Terms Sheet**) sets out the key terms of the offer by Vector Limited (**Vector**) of up to \$200,000,000 (with the ability to accept oversubscriptions of up to \$100,000,000 at Vector's discretion) of unsecured, unsubordinated fixed rate 6 year bonds maturing on 26 November 2027 (**Bonds**). The Bonds will be issued under a master trust deed dated 29 April 2019 (as amended from time to time) (**Master Trust Deed**) and supplemented by a supplemental trust deed dated 15 November 2021 entered into between Vector and The New Zealand Guardian Trust Company Limited as supervisor (**Supervisor**) (together, the **Trust Documents**).

Unless the context otherwise requires, capitalised terms used in this Terms Sheet have the same meaning given to them in the Trust Documents.

Important notice

The offer of Bonds by Vector is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMC Act**).

The offer contained in this Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Vector's \$250,000,000 unsecured, unsubordinated fixed rate bonds maturing on 27 May 2025 (with a fixed interest rate of 3.45% per annum), which are currently quoted on the NZX Debt Market under the ticker code VCT090 (the **Existing Bonds**).

Accordingly, the Bonds are of the same class as the Existing Bonds for the purposes of the FMC Act and the Financial Markets Conduct Regulations 2014.

Vector is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/VCT/announcements.

The Existing Bonds are the only debt securities of Vector that are in the same class as the Bonds and are currently quoted on the NZX Debt Market.

Investors should look to the market price of the Existing Bonds to find out how the market assesses the returns and risk premium for those bonds. When comparing the yield of two debt securities, it is important to consider all relevant factors (including the credit rating (if any), maturity and the other terms of the relevant debt securities).

Issuer	Vector Limited (Vector or the Issuer).
Description of Bonds	Unsecured, unsubordinated fixed rate 6 year bonds (Bonds).
Offer amount	Up to \$200,000,000 of Bonds (with the ability to accept oversubscriptions of up to an additional \$100,000,000 at Vector's discretion). The offer is not underwritten.
Term	6 years, maturing on 26 November 2027.

Credit ratings	Issuer credit rating	Expected credit rating for Bonds
	S&P Global Ratings	BBB (stable)
	<p>A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is also not a guarantee that a financial product is a safe investment. A credit rating should be considered alongside all other relevant information when making any investment decision. The Issuer credit rating for Vector and the expected credit rating for the Bonds shown above are current as at the date of this Terms Sheet. Credit ratings are subject to suspension, revision or withdrawal at any time by the assigning rating organisation.</p>	
Purpose	The net proceeds of the offer of Bonds will be used to refinance existing debt and for general corporate purposes.	
Financial covenants	<p>Vector gives certain financial undertakings to the Supervisor, namely that:</p> <ul style="list-style-type: none"> the net debt of the Vector Group expressed as a percentage of the consolidated total capitalisation of the Vector Group (being the sum of net debt and the net worth of the Vector Group) will not exceed 72%; and at each calculation date, the ratio of EBITDA of the Vector Group to senior interest expense for the 12 month period ending on the relevant calculation date will be not less than 1.5:1. <p>See clause 11.2 of the Master Trust Deed for the detailed wording of those undertakings.</p> <p>A breach by Vector of either financial undertaking set out above can lead to an Event of Default (if that breach (if capable of remedy) is not remedied within 10 Business Days).</p>	
Security	The Bonds are not secured against any assets of Vector nor any other member of the Vector Group.	
Guarantee	The Bonds will be guaranteed by the Guarantors under the Negative Pledge Deed. The sole Guarantor as at the Issue Date of the Bonds will be NGC Holdings Limited, a wholly owned subsidiary of Vector.	
Ranking of Bonds	<p>On a liquidation of Vector, the Bonds will rank as unsecured and unsubordinated obligations of Vector and will:</p> <ul style="list-style-type: none"> rank after liabilities secured over assets of Vector and liabilities preferred by law; rank equally with all other unsecured and unsubordinated liabilities of Vector; and rank ahead of any subordinated liabilities and claims of shareholders. <p>On a liquidation of a Guarantor, the obligations of the Guarantor under the Negative Pledge Deed will rank as unsecured and unsubordinated obligations of the Guarantor.</p>	

Further bonds	Vector may issue further bonds without the consent of Bondholders which may rank ahead of, equally with or behind the Bonds.
Opening Date	Monday, 15 November 2021.
Closing Date	12:00pm NZT, Thursday, 18 November 2021.
Rate Set Date	Thursday, 18 November 2021.
Issue Date and Allotment Date	Friday, 26 November 2021.
Expected Date of Initial Quotation on NZX Debt Market	Monday, 29 November 2021.
Maturity Date	Friday, 26 November 2027.
Who may apply for Bonds	<p>The offer is open to New Zealand retail and certain institutional investors.</p> <p>There is no public pool for the Bonds.</p> <p>All Bonds (including any oversubscriptions) have been reserved for subscription by clients of the Joint Lead Managers, NZX Firms and other approved financial intermediaries invited to participate in a bookbuild conducted by the Joint Lead Managers.</p>
Issue price and Principal Amount	\$1.00 per Bond, being the Principal Amount of each Bond.
Interest Rate	<p>The Bonds will pay a fixed rate of interest from the Issue Date until the Maturity Date.</p> <p>The Interest Rate will be determined by Vector in conjunction with the Joint Lead Managers, and will be set on the Rate Set Date (18 November 2021) as the sum of the Swap Rate on the Rate Set Date and the Issue Margin.</p> <p>The Interest Rate will be announced via NZX on or shortly after the Rate Set Date.</p>
Issue Margin	The Issue Margin (which may be above or below the Indicative Issue Margin range) will be determined by Vector (in consultation with the Joint Lead Managers) following a bookbuild process and announced via NZX on or shortly after the Rate Set Date (18 November 2021).
Indicative Issue Margin	0.95 – 1.10 per cent per annum.
Swap Rate	The mid-market swap rate for an interest rate swap from the Issue Date to the Maturity Date, as calculated by Vector in conjunction with the Joint Lead Managers on the Rate Set Date in accordance with market convention, by reference to Bloomberg page ICNZ4 (or any successor page) (rounded to 2 decimal places if necessary, with 0.005 rounded up).

Payment of interest	Six monthly in arrear on 26 May and 26 November each year (or if that scheduled day is not a Business Day, the next Business Day without adjustment, interest or further payment as a result thereof) until and including the Maturity Date, with the First Interest Payment Date being 26 May 2022.
Interest payments and entitlements	<p>Payments of interest on Interest Payment Dates will be of equal semi-annual amounts. Any interest on the Bonds payable on a date which is not an Interest Payment Date, will be calculated based on the number of days in the relevant period and a 365-day year.</p> <p>On Interest Payment Dates, interest will be paid to the person registered as the Bondholder as at the record date immediately preceding the relevant Interest Payment Date.</p> <p>The record date for interest payments is 5.00pm on the date that is 10 days before the relevant scheduled Interest Payment Date. If the record date falls on a day which is not a Business Day, the record date will be the immediately preceding Business Day.</p>
Brokerage	You are not required to pay brokerage or any other fees or charges to Vector to purchase the Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Bonds.
ISIN	NZVCTDT013C8.
Quotation on the NZX Debt Market	<p>Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of distribution of this Terms Sheet have been complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMC Act.</p> <p>NZX Ticker code VCT100 has been reserved for the Bonds.</p> <p>If you wish to sell your Bonds on the NZX Debt Market, after confirming your allocation, you must contact an NZX Firm or your financial advice provider. They will be able to advise you as to what arrangements will need to be put in place for you to trade the Bonds, including obtaining a Common Shareholder Number (CSN), an Authorisation Code (FIN) and opening an account with an NZX Firm, as well as the costs and timeframes for putting such arrangements in place.</p>
Minimum application amount and minimum holding	\$5,000 and multiples of \$1,000 thereafter.
Transfer restrictions	Vector may decline to accept or register a transfer of the Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (if not zero) or if the transfer is not in multiples of \$1,000.

Repo eligibility	Vector intends to apply to the Reserve Bank of New Zealand for the Bonds to be included as eligible securities for Domestic Market Operations.
Governing Law	New Zealand.
Joint Lead Managers	ANZ Bank New Zealand Limited, Craigs Investment Partners Limited, Forsyth Barr Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch).
Supervisor	The New Zealand Guardian Trust Company Limited.
Securities Registrar	Computershare Investor Services Limited.
Selling restrictions	<p>This is an offer of Bonds to institutional investors and members of the public who are resident in New Zealand and certain overseas institutional investors only.</p> <p>Vector has not taken and will not take any action which would permit a public offering of Bonds, or possession or distribution of any offering material in respect of the Bonds (including this Terms Sheet), in any country or jurisdiction where action for that purpose is required (other than New Zealand).</p> <p>The Bonds may only be offered for sale or sold in a jurisdiction other than New Zealand in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. This Terms Sheet may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which this Terms Sheet is published, delivered or distributed).</p> <p>In addition, the selling restrictions contained in the Schedule to this Terms Sheet apply. By subscribing for Bonds, each investor agrees to indemnify, among others, Vector, the Supervisor, the Joint Lead Managers and their respective directors, officers, employees and agents in respect of any loss, cost, liability or damages suffered as a result of that investor breaching the selling restrictions referred to in this section and set out in the Schedule to this Terms Sheet.</p> <p>The selling restrictions may be modified by Vector and the Joint Lead Managers, including following a change in a relevant law, regulation or directive.</p>

Other information

The dates set out in this Terms Sheet are indicative only and subject to change. Vector may in its absolute discretion and without notice, determine to vary the timetable for the offer (including by opening or closing the offer early, accepting late applications and extending the Closing Date). Changes will be advised by way of announcement through NZX.

Vector reserves the right to cancel the offer described in this Terms Sheet and the issue of the Bonds, in which case all application monies received will be refunded (without interest) as soon as practicable.

Copies of the Trust Documents are available at Vector's website at www.vector.co.nz/investors/bonds.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Investors should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances. Investors will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to them (including any required registrations), for all tax return filing obligations in respect of their investment in the Bonds, compliance with the financial arrangements rules (if applicable) and payment of provisional or terminal tax (if required) on interest derived.

Vector has been designated as a "Non-Standard" (NS) issuer by NZX because of certain waivers granted by NZX in relation to governance matters relating to Entrust. A copy of the waivers granted by NZX in respect of Vector can be found at www.nzx.com/companies/VCT.

For further information regarding Vector, visit www.nzx.com/companies/VCT.

Schedule

SELLING RESTRICTIONS

The Bonds may only be offered for sale or sold 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 of that jurisdiction and the selling restrictions contained in this Terms Sheet. This Terms Sheet may not be published, delivered or distributed outside New Zealand except to institutional investors as contemplated below.

Australia

This Terms Sheet and the offer of Bonds are only made available in Australia to persons to whom an offer of securities can be made without disclosure in accordance with applicable exemptions in sections 708(8) (sophisticated investors) or 708(11) (professional investors) of the Australian Corporations Act 2001 (the **Corporations Act**). This Terms Sheet is not a prospectus, product disclosure statement or any other formal "disclosure document" for the purposes of Australian law and is not required to, and does not, contain all the information which would be required in a "disclosure document" under Australian law. This Terms Sheet has not been, and will not be, lodged or registered with the Australian Securities & Investments Commission or the Australian Securities Exchange. Vector is not subject to the continuous disclosure requirements that apply in Australia.

Prospective investors should not construe anything in this Terms Sheet as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the Corporations Act. Investors in Australia should be aware that the offer of Bonds for resale in Australia within 12 months of their issue may, under section 707(3) of the Corporations Act, require disclosure to investors under Part 6D.2 if none of the exemptions in section 708 of the Corporations Act apply to the re-sale.

European Union

This Terms Sheet has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Terms Sheet may not be made available, nor may the Bonds be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Bonds in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This Terms Sheet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this Terms Sheet may not be distributed, and the

Bonds may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Bonds has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Bonds may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Terms Sheet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Terms Sheet, you should obtain independent professional advice.

Japan

The Bonds have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Bonds may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires Bonds may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Bonds is conditional upon the execution of an agreement to that effect.

Singapore

This Terms Sheet and any other materials relating to the Bonds have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Bonds, may not be issued, circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Terms Sheet has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this Terms Sheet immediately. You may not forward or circulate this Terms Sheet to any other person in Singapore.

Any offer is not made to you with a view to the Bonds being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Bonds. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this Terms Sheet nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Bonds.

The Bonds may not be offered or sold in the United Kingdom by means of this Terms Sheet or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Terms Sheet is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Terms Sheet may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Bonds has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Vector.

In the United Kingdom, this Terms Sheet is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investment to which this Terms Sheet relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Terms Sheet.

United States

This Terms Sheet does not constitute an offer to sell, or a solicitation of an offer to buy, the Bonds in the United States. The Bonds have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. Accordingly, the Bonds are only being offered and sold in "offshore transactions" in compliance with Regulation S under the US Securities Act.

Indemnity

By its subscription for the Bonds, each Bondholder agrees to indemnify Vector, the Joint Lead Managers and the Supervisor and each of their respective directors, officers and employees for any loss, cost, liability or expense sustained or incurred by Vector, the Joint Lead Managers or the Supervisor, as the case may be, as a result of the breach by that Bondholder of the selling restrictions set out above.

Directory

Issuer

Vector Limited

Level 4
101 Carlton Gore Road
Newmarket, Auckland

Securities Registrar

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622

Bond Supervisor

The New Zealand Guardian Trust Company Limited

Level 6
191 Queen Street
PO Box 274
Auckland 1140

Joint Lead Managers

ANZ Bank New Zealand Limited

Level 10, ANZ Centre
171 Featherston Street
Wellington 6011

Craigs Investment Partners Limited

Level 32, Vero Centre
48 Shortland Street
Auckland 1010

Forsyth Barr Limited

Level 23
Shortland & Fort
88 Shortland Street
Auckland 1010

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Level 8, 16 Takutai Square
Auckland 1010