

### Key points in this issue:

- The Gas Industry Co will hold its Annual General Meeting of Shareholders on 22 September 2005.
- At the AGM, elections will be held for two industry directors who have retired from their industry roles in New Zealand and for an independent director, who is standing for re-election pursuant to the company's rotation policy.
- To be eligible for election as a director a person must be:
  - a director standing for re-election; or
  - recommended by the Board; or
  - nominated by a shareholder.
- Nominations for directors close on 24 August. A Director Nomination form is attached.
- The Gas Industry Co encourages all industry participants to become shareholders in the Gas Industry Co. Information about becoming a shareholder and a Share Application form is also provided in this newsletter.

## Annual General Meeting of Shareholders

The Gas Industry Co will hold its Annual General Meeting of Shareholders (AGM) on 22 September 2005.

Notice of the AGM will be distributed to all shareholders prior to the meeting with copies of the Gas Industry Co's Annual Report, including audited accounts for the year ending 30 June 2005. The time, venue and agenda for the meeting will be provided in the Notice.

The following matters will be discussed at the AGM:

- Election of Directors
- Approval of Annual Report and Financial Statements
- Appointment of the Auditor

No business may be transacted at the AGM if a quorum is not present. A quorum is a majority of shareholders present in person or by proxy.

## Shareholders

The current shareholders of the Gas Industry Co are:

Contact Energy Limited	Powerco Limited
Genesis Energy Limited	Shell (Petroleum Mining) NZ Limited
Mighty River Power Limited	Swift Energy New Zealand Limited
NGC Holdings Limited	Vector Limited
OMV (New Zealand) Limited	Wanganui Gas Limited

## Board of Directors

The directors of the Gas Industry Co are:

- Rt Hon James (Jim) Bolger, ONZ (Chairman), Independent
- Robin Hill, Chartered Accountant, Independent
- Mark Verbiest, General Counsel, Telecom Corporation of New Zealand Limited, Independent
- Denis Clifford, Barrister, Independent
- Steve Barrett, CEO, Contact Energy Limited
- Mark Franklin, CEO, Vector Limited

The Board currently has a casual vacancy caused by the resignation of Don Morgan, Chairman & CEO, Swift Energy Limited.

## Election of Directors

The Gas Industry Co's constitution requires that 4 of the 7 directors of the Company must be independent. The constitution also requires that at every annual meeting at least a third of directors (to the nearest whole number) must retire from office.

Donald Morgan retired as a director following the June Board meeting to take up the position of President, Swift Energy International, based in the United States.

Steve Barrett has indicated that he will retire as a director at the AGM. Steve is also leaving his industry role in New Zealand to return to the United States.

Pursuant to the company's rotation policy, Denis Clifford, one of the independent directors, will also retire as a director at the AGM. Denis has indicated that he will be standing for re-election at the AGM.

Therefore, during the AGM elections will be held for two industry directors and one independent director.

## Eligibility for Director Elections

To be eligible to stand for the office of director at the AGM:

- **Director standing for re-election.** The person must be a Gas Industry Co director who has retired pursuant to clause 20.2(b) or clause 20.3 of the Gas Industry Co's constitution; or
- **Board recommendation.** The person must be recommended by the Board for election; or
- **Shareholder nomination.** At least 20 working days before the AGM (that is, no later than 24 August), the Gas Industry Co must receive both:
  - a written notice, signed by a shareholder, of intention to propose a person for election as a director; and
  - a written notice signed by the candidate stating his or her willingness to be elected and whether he or she is independent for the purposes of clause 17 of the company's constitution.

Notice of all eligible director candidates will be sent to shareholders prior to the annual meeting.

It is important to note that only shareholders are able to nominate a person to be a director.

A Director Nomination form is attached.

## Becoming A Shareholder

The Gas Industry Co encourages all industry participants to become shareholders in the Gas Industry Co. The Company has one class of share, \$1 redeemable shares, which are redeemable at the option of the shareholder. A shareholder may hold one share only.

To become a shareholder you must be an industry participant. The Gas Industry Co's constitution defines industry participant to mean:

- A gas retailer, gas distributor, pipeline owner or gas wholesaler; or
- A gas producer; or
- A person who purchases gas directly from a gas producer or gas wholesaler or on any wholesale gas market; or
- A gas metering equipment owner; or
- A data administrator that provides data administration services to the gas industry.

An application form for a share in the Gas Industry Co is attached. This needs to be completed and the application approved by the Board before the share is issued.

Therefore, the closing date for new shareholders to join the company and nominate a director is 5pm 19 August. Shareholders who join after this date will not be entitled to nominate a director but may still be eligible to vote at the AGM.

## Shareholder Rights

Every shareholder is entitled to one vote on a poll at a meeting of shareholders on any resolution. However, a shareholder may not vote on any resolution when the shareholder is:

- A subsidiary of another shareholder (the Board may exempt a shareholder from this restriction if it considers that the management of the business and affairs of the shareholder is conducted independently from that of any other shareholder); or
- Not an industry participant as defined in the Gas Industry Co's constitution; or
- Any annual fee or other amount payable by the shareholder to the Gas Industry Co has not been paid by the due date.

Where two or more shareholders are subsidiaries of the same person who is not a shareholder, then only one of the shareholders may vote, unless the Board grants an exemption to the shareholders allowing them both to vote. Further information about this matter is available from the Gas Industry Co's website: [www.gasindustry.co.nz](http://www.gasindustry.co.nz)

## Annual Fee

All shareholders are required to pay an annual fee to the Company. The Board has set an annual fee for the 2006 financial year of \$10,000 (plus GST) per shareholder.