
9 October 2013

Dear Shareholder

On behalf of the Board of directors I am pleased to invite you to the 2013 Annual Meeting of Telecom Corporation of New Zealand Limited, which is to be held on Friday, 8 November 2013 at 10.00am (New Zealand time) in the Conference Centre at Level 2, Telecom Place, 167 Victoria Street West, Auckland.

At the Annual Meeting I will comment on Telecom's performance and strategic shift over the last year and Chief Executive, Simon Moutter, will outline our progress in more detail.

In addition, all directors will comment briefly on Telecom and why they serve on the Board.

Maury Leyland, Charles Sitch and Justine Smyth are retiring and standing for re-election at the Annual Meeting. The Board unanimously supports the re-election of these directors. You can read about the background of all the directors standing for re-election in the Explanatory Notes to the Notice of Annual Meeting attached to this letter.

At the meeting shareholders will also be asked to authorise the directors to fix the auditors' remuneration.

The Board recommends that you vote in favour of all resolutions.

Shareholders present at the Annual Meeting will have the opportunity to ask questions during the meeting.

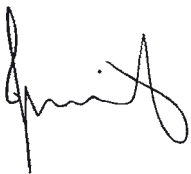
If you cannot attend the Annual Meeting, I encourage you to appoint a proxy to attend and vote in your place. You can appoint a proxy online by going to www.investorvote.co.nz/telecom or by scanning the QR code on the Proxy Form with your smartphone, before 10.00am (New Zealand time) on Wednesday, 6 November 2013. You will need your CSN/Securityholder number, and postcode or country of residence if outside of New Zealand, to securely appoint your proxy online. Alternatively, you can send a completed Proxy Form by email, post or fax (in accordance with the details in the Proxy Form) so that it reaches Computershare Investor Services Limited by 10.00am (New Zealand time) on Wednesday, 6 November 2013.

You will also be able to view and listen to the Annual Meeting live by webcast at: <http://investor.telecom.co.nz>.

For those shareholders who are attending the Annual Meeting, please bring the enclosed Proxy Form with you to assist with your registration.

You are invited to join the Board and senior management for light refreshments at the conclusion of the Annual Meeting. I look forward to seeing you then.

Yours sincerely



Mark Verbiest
Chairman

Notice of Annual Meeting of Shareholders

The Annual Meeting of shareholders of Telecom Corporation of New Zealand Limited ('Telecom') will be held in the Conference Centre at Level 2, Telecom Place, 167 Victoria Street West, Auckland on Friday, 8 November 2013 commencing at 10.00am (New Zealand time).

Items of business

- A The Chairman's introduction
- B Addresses to shareholders
- C Shareholder discussion
- D Resolutions:

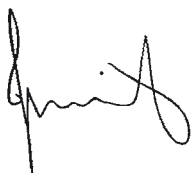
To consider, and if thought fit, to pass the following ordinary resolutions:

1. *That the directors are authorised to fix the auditors' remuneration.*
2. *That Ms Maury Leyland is re-elected as a director of Telecom.*
3. *That Mr Charles Sitch is re-elected as a director of Telecom.*
4. *That Ms Justine Smyth is re-elected as a director of Telecom.*

Notes:

Each resolution above is to be considered as an ordinary resolution and, to be passed, requires the approval of a simple majority of votes cast on the resolution.

By Order of the Telecom Board



Mark Verbiest
Chairman

9 October 2013

Explanatory Notes

Resolution 1: Fixing the remuneration of the auditors, KPMG

Pursuant to the Companies Act 1993, KPMG are automatically reappointed at the Annual Meeting as auditors of Telecom. The proposed resolution is to authorise the directors to fix the remuneration of the auditors, KPMG.

Resolutions 2, 3 and 4: Re-election of directors

Non-executive directors Maury Leyland, Charles Sitch and Justine Smyth retire by rotation and offer themselves for re-election.



MAURY LEYLAND BE (Hons); FIPENZ; MInstD
Non-executive director, Independent

Term of Office

Appointed director 1 December 2011.

Board Committees

Member of the Human Resources and Compensation Committee and the Nominations and Corporate Governance Committee.

Biography

Maury has been a senior executive at Fonterra since 2005 and is currently Group Director Strategy. Previous roles within Fonterra have included Programme Director of a major transformation programme, General Manager New Zealand Logistics and Associate Director Strategy and Growth. Prior to joining Fonterra she spent nine years with the Boston Consulting Group as a strategy consultant working with large companies in New Zealand and Australia. Maury was previously a director at Transpower New Zealand Limited. She was also a member of both the design and sailing team for Team New Zealand during the successful 1995 America's Cup campaign in San Diego. Maury is also a member of the Advisory Board for the Department of Engineering Science at the University of Auckland. Maury has a Bachelor of Engineering in Engineering Science, First Class Honours from Auckland University.



CHARLES SITCH MBA, LLB, BCom, GAICD
Non-executive director, Independent

Term of office

Appointed director 1 December 2011.

Board Committees

Member of the Audit and Risk Management Committee and the Nominations and Corporate Governance Committee.

Biography

Charles retired from the international management consulting firm McKinsey & Company in 2010. He joined McKinsey & Company in 1987 and in 2000 became a senior director, primarily working with CEOs and boards on strategy and operations turnarounds. His practice had focused on telecommunications, consumer services, retail, banking, travel and entertainment. Since 2006 he has been involved in various new business ventures. He is a member of the board of Trinity College at Melbourne University and the Robin Boyd Foundation, and a committee member of the Melbourne Cricket Club. He was previously an advisory director of Bkk Partners, an investment bank. Charles holds an MBA from Columbia Business School and an LLB, BCom from Melbourne University.



JUSTINE SMYTH BCom, CA, NZICA
Non-executive director, Independent

Term of Office

Appointed director 1 December 2011.

Board Committees

Chair of the Human Resources and Compensation Committee and a member of the Audit and Risk Management Committee and the Nominations and Corporate Governance Committee.

Biography

Justine is a director of Auckland International Airport Limited, a board member of the Financial Markets Authority, Chair of the New Zealand Breast Cancer Foundation and a former Deputy Chair of New Zealand Post Limited. She is also owner and Executive Director of a manufacturing and wholesale clothing company. Justine is a former Chair of the Finance Audit, Investment & Risk sub-committee of New Zealand Post Limited and her background includes being Group Finance Director of Lion Nathan Limited and a former partner of Deloitte. She has experience in governance, mergers and acquisitions, taxation and financial performance of large corporate enterprises and the acquisition, ownership, management and sale of small and medium enterprises.

Important information

Voting entitlements

Voting entitlements for the Annual Meeting will be determined as at 5:00pm (New Zealand time) on Thursday, 7 November 2013. Registered Telecom shareholders at that time will be the only persons entitled to vote at the Annual Meeting, and only the Telecom shares registered in those Telecom shareholders' names at that time may be voted at the Annual Meeting.

Voting in person

If you are entitled to vote and wish to do so in person, you should attend the Annual Meeting. Please bring your Proxy Form (which contains your attendance slip and ballot paper) with you to the meeting.

A corporation may appoint a person to attend the meeting as its representative in the same manner as that in which it could appoint a proxy.

Voting by proxy

A Telecom shareholder who is entitled to vote at the Annual Meeting is entitled to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a Telecom shareholder.

If you appoint a proxy you may either direct your proxy how to vote for you or you may give the proxy discretion to vote as he or she sees fit. If you wish to give your proxy discretion then you should make the appropriate election, either online or in the Proxy Form, to grant your proxy that discretion. You will be deemed to have given your proxy discretion if you do not make an election in relation to any of resolutions 1 to 4.

The Chairman of the meeting or any other director is willing to act as proxy for any shareholder who appoints him or her for that purpose. If, in appointing your proxy, you do not name a person as your proxy (either online or in the Proxy Form that is lodged with Computershare Investor Services Limited), or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy and may vote only in accordance with your express direction. If you expressly appoint the Chairman of the meeting or any other director as your proxy and elect to give them discretion on how to vote on a resolution, they may exercise your vote even if they have an interest in the outcome of that resolution. The Chairman of the meeting and the directors intend to vote all discretionary proxies in favour of resolutions 1 to 4.

A Proxy Form accompanies this Notice of Annual Meeting.

If you do not propose to attend the Annual Meeting but wish to be represented by proxy, you can appoint a proxy **online** by going to www.investorvote.co.nz/telecom or by scanning the QR code on the Proxy Form with your smartphone. You will need your CSN/ Securityholder number, and postcode or country of residence if outside of New Zealand, to securely appoint a proxy online.

Alternatively, you can complete the Proxy Form (detach the attendance slip) and either:

- **Email** your proxy to corporateactions@computershare.co.nz;
- Return the Proxy Form by **mail** to the Share Registrar, Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand, using the freepost envelope enclosed; or
- **Fax** the Proxy Form to 09 488 8787 (within New Zealand) or +64 9 488 8787 (international).

The online proxy appointments must be lodged with, and the completed Proxy Forms received by, Computershare Investor Services Limited no later than **10.00am on Wednesday, 6 November 2013 (New Zealand time)**.

Where a Proxy Form is completed for a company, it must be signed by a duly authorised officer or attorney. Persons who sign on behalf of a company must be acting with the company's express or implied authority.

Where a Proxy Form is signed by an attorney, a copy of the power of attorney under which it was signed, if not previously provided to Computershare Investor Services Limited, together with a signed certificate of non-revocation of the power of attorney must accompany the Proxy Form.

Webcast

The Annual Meeting will be webcast live on the internet. To view the webcast, go to: <http://investor.telecom.co.nz>.

Minutes of the previous meeting and Annual Report

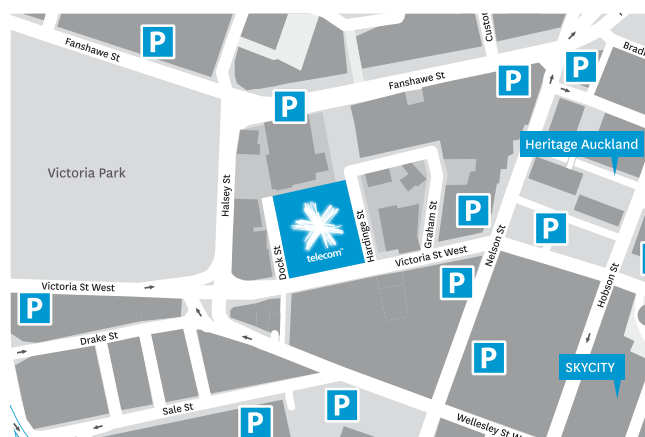
The minutes of last year's Annual Meeting and an archive of the 2012 webcast are also available on <http://investor.telecom.co.nz>.

The 2013 Annual Report is available on Telecom's website. Go to: <http://investor.telecom.co.nz>.

Meeting venue

The Conference Centre at Level 2, Telecom Place, 167 Victoria Street West, Auckland.

Parking around Telecom Place



If you have any questions, or for more information, please call Telecom Investor Relations on:

Australia	1800 730 050
Hong Kong	800 908 530
Japan	00531 252 004
New Zealand	0800 440 246
Singapore	800 616 3007
United Kingdom	0800 358 5267
United States / Canada	1 877 941 1427

Telecom Corporation of New Zealand Limited ARBN 050 611 277



Lodge your proxy

Online

www.investorvote.co.nz/telecom or
scan the QR code below with your Smartphone

By Email

corporateactions@computershare.co.nz

By Mail

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

By Fax

+64 9 488 8787

General enquiries

0800 737 100 (within NZ)
+64 9 488 8777 (international)
enquiry@computershare.co.nz

Proxy Form for the 2013 Annual Meeting

Lodge your proxy online, 24 hours a day, 7 days a week:

www.investorvote.co.nz/telecom or scan the QR code with your Smartphone

Your secure access information

Control number:

CSN/Securityholder number:

PLEASE NOTE: You will need your CSN/Securityholder number, and postcode or country of residence if outside of New Zealand, to securely access InvestorVote and then follow the prompts to appoint your proxy.



For your proxy to be effective it must be received by 10:00am (New Zealand time) Wednesday, 6 November 2013.

Appointment of proxy

If you do not plan to attend the meeting, you may appoint a proxy. The Chairman of the meeting or any other director is willing to act as proxy for any shareholder who appoints him or her for that purpose. If, in appointing your proxy, you do not name a person as your proxy (either online or in this Proxy Form), or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy and may vote only in accordance with your express direction.

Voting of your holding

Direct your proxy how to vote by making the appropriate election, either online or in this Proxy Form, in respect of each item of business (resolutions 1 to 4). If you do not make an election in respect of a resolution your proxy may vote as they choose. If you make more than one election in respect of a resolution your vote will be invalid on that resolution.

Appointing the Chairman of the meeting or a director as your proxy

If you expressly appoint the Chairman of the meeting or any other director as your proxy and elect to give them discretion on how to vote on a resolution, you acknowledge that they may exercise your vote even if they have an interest in the outcome of that resolution. The Chairman of the meeting and the directors intend to vote all discretionary proxies in favour of resolutions 1 to 4.

Attending the meeting

If you wish to vote in person, you should attend the meeting. Please bring this Proxy Form (which contains your attendance slip and ballot paper) with you to the meeting.

A corporation may appoint a person to attend the meeting as its representative in the same manner as that in which it could appoint a proxy.

Signing instructions for Proxy Forms

Individual

Where the holding is in one name, the securityholder must sign.

Joint holding

Where the holding is in more than one name, all of the securityholders should sign.

Power of attorney

If this Proxy Form has been signed by an attorney, a copy of the power of attorney under which it was signed (if not previously provided to Computershare Investor Services Limited), and a signed certificate of non-revocation of the power of attorney must accompany this Proxy Form.

Company

This Proxy Form must be signed by a duly authorised officer or attorney. Persons who sign on behalf of a company must be acting with the company's express or implied authority.

Go online to appoint and give directions to your proxy or turn over to complete the form

Proxy/Corporate Representative Form

Step 1 : Appoint a proxy to vote on your behalf

I/We being a shareholder/s of Telecom Corporation of New Zealand Limited

hereby appoint _____ of _____

or failing him/her _____ of _____

as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, the proxy will vote as he/she sees fit, subject to any applicable restrictions in the Listing Rules) at the **Annual Meeting of Telecom Corporation of New Zealand Limited to be held in the Conference Centre at Level 2, Telecom Place, 167 Victoria Street West, Auckland on Friday, 8 November 2013 at 10:00am (New Zealand time)** and at any adjournment of that meeting. If you wish, you may appoint as your proxy 'The Chairman of the Meeting' or any other director.

Step 2 : Items of business – voting instructions/ballot paper (if a poll is called)

Please note: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

		FOR	AGAINST	PROXY DISCRETION	ABSTAIN
Item 1	That the directors are authorised to fix the auditors' remuneration.	☐	☐	☐	☐
Item 2	That Ms Maury Leyland is re-elected as a director of Telecom.	☐	☐	☐	☐
Item 3	That Mr Charles Sitch is re-elected as a director of Telecom.	☐	☐	☐	☐
Item 4	That Ms Justine Smyth is re-elected as a director of Telecom.	☐	☐	☐	☐

Sign: signature of securityholder(s) This section must be completed.

Securityholder 1

or duly authorised officer or attorney

Securityholder 2

or duly authorised officer or attorney

Securityholder 3

or duly authorised officer or attorney

Contact Name _____ Contact Daytime Telephone _____ Date _____

Telecom Corporation of New Zealand Limited ARBN 050 611 277

Attendance slip



Annual Meeting of Telecom Corporation of New Zealand Limited to be held in the Conference Centre at Level 2, Telecom Place, 167 Victoria Street West, Auckland on Friday, 8 November 2013 at 10:00am (New Zealand time).