

NOMINATIONS COMMITTEE CHARTER

Owner: Vector's board of directors
Approved: 30 June 2020
Date of next Review: 30 June 2022

1 STATUS, PURPOSE AND OBJECTIVES

1.1 Status

The board nominations committee (**Committee**) is a sub-committee of Vector's board.

The Committee exercises the board's authority in respect to those responsibilities delegated to it by the board and is accountable to the board for its performance.

1.2 Purpose

The purpose of the Committee is to assist the board in fulfilling its responsibility to have an efficient mechanism for examination of the director selection, appointment and retention practices of the company.

1.3 Objectives

The objectives of the Committee are to:

- (a) Identify and recommend individuals for nomination as potential directors, taking into account such factors that it considers are appropriate; including experience, qualifications, judgment and the ability to work with other directors;
- (b) Review the composition of the board and recommend ways to improve its performance, including succession planning.

2 RESPONSIBILITIES

2.1 Committee responsibilities

The Committee will have the following responsibilities:

- (a) Establish and review the process by which suitably qualified 'potential director' candidates are identified, including the criteria for determining the suitability of potential directors;
- (b) Identify suitably qualified potential directors in the event of a vacancy on the board;
- (c) In the event of a vacancy on the board, make recommendations to the board on candidates for nomination or appointment as a director;
- (d) Ensure there is an appropriate induction and education programme in place for new directors;
- (e) Ensure that letters of engagement are in place for all directors;
- (f) Oversee the director nominations and retirements by rotation process associated with Vector's annual meeting and as required by the NZX Listing Rules;
- (g) Recommend to the board the necessary and desirable competencies of directors;

- (h) Recommend procedures for the regular review of the performance of the board and individual directors;
- (i) Recommend procedures for the regular review of committees established by the board;
- (j) Review from time to time the composition of the board to ensure that the board is of an appropriate size and contains a balance of the most appropriate skills, qualifications, background and experience to effectively govern Vector;
- (k) Establish and review the board succession plans to ensure the maintenance of an appropriate mix of skills, experience, expertise and diversity on the board;
- (l) Recommend to the board the removal of any director, subject to the provisions of Vector's constitution;
- (m) Make determinations as to the independence status of all directors; and
- (n) Undertake such other matters that the board may refer to the Committee from time to time.

2.2 The committee may obtain external legal or other professional advice in relation to any of the matters falling within its scope of enquiry at Vector's expense.

2.3 In carrying out the procedure for appointing directors, the Committee will:

- (a) carry out proper checks regarding (but not limited to) relevant candidates' experience, education, criminal record and bankruptcy history, and give due consideration to any material adverse information revealed by those checks;
- (b) consider the independence of directors when assessing candidates;
- (c) procure that key information is provided about candidates to shareholders to assist their decision as to whether or not to elect or re-elect the candidate (such as the candidate's biographical detail, relevant skills and experience, and any other material directorships he or she holds); and
- (d) if the candidate is being re-elected, consider the term of office already served by the director, and the period for which he or she may have held the office of chair or deputy chair, having due regard to the following:
 - (i) the results of reviews of performance of the director;
 - (ii) independence from management;
 - (iii) good governance principles in relation to the optimum period of a director's tenure in office, the optimum period for which a director should serve as chair or deputy chair, and the appropriate number of other commitments; and
 - (iv) the responsibilities of the Committee set out in clause 2.1 above and in particular the matters set out in sub-clauses 2.1(j) and 2.1(k).

2.4 **Advice from management and advisers**

Committee members are entitled to rely on information and advice from Vector employees on matters within their responsibility, and on professional advisers or experts on matters within their professional or expert competence, provided that Committee members:

- (a) Do not know, or have reason to believe, that reliance is unwarranted;
- (b) Have reasonable grounds to believe that any person on whom the Committee relies is reliable and competent in relation to the matter; and

- (c) Make proper inquiry where necessary in the circumstances (for example, requesting further information or clarification).

All Committee members will apply an independent and enquiring mind, as well as their individual knowledge of Vector, to evaluate and form opinions on matters before the Committee. Although Committee members may rely on information from employees and advisers, they will not substitute such advice for their own diligent examination of important matters.

3 COMMITTEE ACCOUNTABLE TO BOARD

The Committee is accountable to the board, and will:

- (a) Report its decisions and recommendations to the board; such report to be made at the next scheduled meeting of the board;
- (b) Ensure the board is made aware of matters within the Committee's scope which may significantly affect Vector; and
- (c) Ensure accurate minutes of all meetings are kept, and provided to the board at the next scheduled board meeting.

The board may rely on information provided by the Committee in relation to matters which the Committee is responsible for, but subject to the same provisos set out in section 2.44 of this Charter.

4 STRUCTURE AND COMPOSITION

4.1 Membership

The Committee shall comprise all members of the board.

4.2 Secretary

The secretary of the Committee is the company secretary.

4.3 Appointment and removal of members

The board shall appoint the members and chair of the Committee. Members may be removed from the Committee by the board at any time during their tenure.

4.4 Consultation

For such time as the trustees of Entrust hold not less than 50.01% of the shares of Vector, the Committee will consult with the trustees (or any appointed subcommittee of the trustees for this purpose) prior to finalising any recommendation to the board on any candidate for nomination or appointment as a director or any recommendation to not support the continuation in office of an existing director.

4.5 The consultation process and any information shared between the Committee and the trustees as part of the consultation process will not bind:

- (a) The Committee to any decision or recommendation; or
- (b) The trustees to vote in any particular way in respect of any director nominated for election or re-election at a meeting of Vector's shareholders.

5 MEETINGS AND PROCEDURE

5.1 Meetings and procedure

The Committee shall meet formally at least once per year and at such other times as the Committee considers appropriate to fulfil its responsibilities.

5.2 Board procedure to apply

The procedure of the board in relation to meetings shall apply to the Committee with all necessary modifications.

5.3 Quorum

A quorum for a Committee meeting shall be three members.

5.4 Attendance at meetings

An invitation may be extended to directors, the Chief Executive and/or management to attend meetings of the Committee from time to time by the Committee chair.

6 AUTHORITY

6.1 The board authorises the Committee, within the scope of its responsibilities to:

- (a) Seek any information it requires from any external parties;
- (b) Obtain external legal or other professional advice;
- (c) Require the attendance of Vector officers at meetings as appropriate; and
- (d) Perform or undertake on behalf of the board any such other tasks, investigations or actions it deems appropriate and consistent with its responsibilities and duties.

7 REPORTING

7.1 The Committee shall report its decisions and recommendations to the board; such report to be made at the next scheduled meeting of the board or, in the case of a recommendation of a candidate for nomination or appointment as a director, at the meeting of the board next scheduled after the conclusion of the consultation process contemplated by section 4 above.

8 REVIEW OF COMMITTEE

8.1 The Committee shall undertake an annual self-review of its performance having regard to:

- (a) The Committee's objectives and responsibilities contained in this Charter; and
- (b) The NZX Listing Rules and Corporate Governance Code.

9 REVIEW OF CHARTER

9.1 This charter should be reviewed by the Committee and updated at least every two years, having regard to the NZX Listing Rules and Corporate Governance Code. Any changes to the charter are to be recommended to the board for approval.