

REMUNERATION 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 remuneration committee (**Committee**) is a sub-committee of the board of Vector and 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 overseeing the appointment, performance and remuneration of directors, the group chief executive and members of the senior management team (including succession planning) and reviewing and monitoring the Remuneration Policy.

1.3 Objectives

The objectives of the Committee are to have and maintain:

- (a) A high performing group chief executive and senior management team; and
- (b) Appropriate remuneration policies and practices in place for Vector's directors and senior management team.

2 RESPONSIBILITIES

2.1 Committee responsibilities

The Committee is responsible for:

- (a) Establishing and recommending to the board the principles for Vector's remuneration;
- (b) Reviewing and recommending to the board for approval all payments and allocations to be made under the remuneration framework/policies;
- (c) Providing input into the process and review by the group chief executive of the performance of members of the senior management team;
- (d) Approving all changes to the remuneration of the group chief executive and members of the senior management team, and the payment of senior management team incentives;
- (e) Monitor the outcomes of remuneration policy implementation at senior management level, including incentive payments and that the relationship of remuneration to performance is clear;
- (f) Ensuring diversity and inclusion objectives are supported through implementation of equality of pay principles across the group;
- (g) Overseeing management succession planning for agreed key roles in the company;
- (h) Reviewing Vector's remuneration policy at least every 2 years;

- (i) Reviewing directors' remuneration from time to time; and
- (j) Undertaking such other directives that the board may set down from time to time.

2.2 **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 2.22 of this Charter.

4 **COMPOSITION**

4.1 **Membership**

The Committee shall comprise not less than three members, being directors of Vector, a majority of whom shall be independent directors.

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.

5 MEETINGS AND PROCEDURE

5.1 Meetings and procedure

The Committee shall meet formally at least twice per year and at such other times 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

The Committee shall report its decisions and recommendations to the board, such report to be made at the next scheduled meeting of the board.

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.