

# NOMINATIONS COMMITTEE CHARTER

Owner: Vector's board of directors  
 Approved: August 2018  
 Review: August 2020

## Contents

1.	STATUS, PURPOSE AND OBJECTIVES .....	1
1.1	Status .....	1
1.2	Purpose .....	1
1.3	Objective .....	1
2.	RESPONSIBILITIES .....	2
2.1	Nominations committee responsibilities .....	2
3.	STRUCTURE AND COMPOSITION .....	3
3.1	Membership.....	3
3.2	Secretary .....	3
3.3	Appointment and removal of members .....	3
3.4	Consultation .....	3
4.	MEETINGS AND PROCEDURE .....	3
4.1	Meetings and procedure .....	3
4.2	Board procedure to apply.....	3
4.3	Quorum .....	3
4.4	Attendance at meetings .....	3
5.	AUTHORITY .....	3
6.	REPORTING .....	4
7.	REVIEW OF COMMITTEE .....	4
8.	REVIEW OF CHARTER.....	4

## 1. STATUS, PURPOSE AND OBJECTIVES

### 1.1 Status

The nominations 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 nominations committee is to assist the board in fulfilling its responsibility to have an efficient mechanism for examination of the selection and appointment practices of the company.

### 1.3 Objective

The objective of the nominations 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 Nominations committee responsibilities**

The nominations 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;
- (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) Make determinations as to the independence status of all directors; and
- (m) 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.

### **3. STRUCTURE AND COMPOSITION**

#### **3.1 Membership**

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

#### **3.2 Secretary**

The secretary of the committee is the company secretary.

#### **3.3 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.

#### **3.4 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.

3.5 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.

### **4. MEETINGS AND PROCEDURE**

#### **4.1 Meetings and procedure**

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

#### **4.2 Board procedure to apply**

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

#### **4.3 Quorum**

A quorum for a nominations committee meeting shall be three members.

#### **4.4 Attendance at meetings**

A standing invitation shall be extended to all directors, where the nominations committee thinks this is appropriate. The committee shall extend an invitation for attendance to the group chief executive where the committee thinks this is appropriate.

### **5. AUTHORITY**

5.1 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.

## **6. REPORTING**

- 6.1 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 paragraph 4 above.

## **7. REVIEW OF COMMITTEE**

- 7.1 The committee shall undertake an annual self-review of its performance having regard to:
- (a) The nominations committee's objectives and responsibilities contained in this charter; and
  - (b) Best practice corporate governance standards including but not limited to:
    - (i) The New Zealand Financial Market Authority's Corporate Governance Principles;
    - (ii) NZX Limited's Main Board Listing Rules including the Corporate Governance Best Practice Code; and
    - (iii) The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

## **8. REVIEW OF CHARTER**

- 8.1 This charter shall be reviewed by the committee and updated at least every two years. Any changes to the charter are to be recommended to the board for approval.