

REMUNERATION COMMITTEE CHARTER



Owner: Vector's board of directors
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1. STATUS, PURPOSE AND OBJECTIVES

1.1 Status

The remuneration 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 remuneration committee is to assist the board in overseeing the appointment, performance and remuneration of the group chief executive and members of the executive team (including succession planning), reviewing the Remuneration Policy and reviewing and monitoring the Diversity Policy.

1.3 Objectives

The objectives of the remuneration committee are to have and maintain:

- (a) A high performing group chief executive and executive team; and
- (b) Appropriate remuneration and diversity policies and practices in place.

2. RESPONSIBILITIES

2.1 Remuneration committee responsibilities

The remuneration committee will have the following responsibilities:

- (a) Consider all appointments and terminations at the group chief executive and executive team level, including contractual conditions;
- (b) Review the performance of the group chief executive;
- (c) Provide input into the process and review by the group chief executive of the performance of members of the executive team;
- (d) Approve all changes to the remuneration of the group chief executive and members of the executive team, and the payment of executive incentives;
- (e) Monitor the outcomes of policy implementation at executive management level, including incentive payments and that the relationship of remuneration to performance is clear;
- (f) Overseeing management succession planning for agreed key roles in the company;
- (g) Review Vector's remuneration policy, at least every 2 years;
- (h) Annually assess the effectiveness of the diversity policy, the measurable objectives for achieving diversity, the progress towards achieving them and making recommendations to the board in respect of such assessments;
- (i) Ensure that the appropriate disclosures with respect to diversity are made in the company's annual report;
- (j) Annually review and report to the board on (amongst other indicators) the relative proportion of woman and men which make up the company's workforce, at all levels of the business;
- (k) Review directors' remuneration from time to time; and
- (l) Undertake such other directives that the board may set down from time to time.

3 COMPOSITION

3.1 Membership

The remuneration committee shall comprise not less than three members, being directors of Vector.

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.

4. MEETINGS AND PROCEDURE

4.1 Meetings and procedure

The remuneration committee shall meet formally at least twice 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 remuneration committee with all necessary modifications.

4.3 Quorum

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

4.4 Attendance at meetings

A standing invitation shall be extended to all directors, where the remuneration 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.

7. REVIEW OF COMMITTEE

7.1 The remuneration committee shall undertake an annual self-review of its performance having regard to:

- (a) The remuneration 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 Securities Commission's (Financial Market Authority) 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.