

NOMINATIONS COMMITTEE CHARTER



Owner: Vector's board of directors
Approved: June 2010

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1. STATUS 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 Objectives

The objectives of the nominations committee are to:

- (a) Establish and review criteria for determining the suitability of potential directors;
- (b) Identify suitably qualified people who could be considered for nomination or appointment as a director in the event of a vacancy on the board;
- (c) In the event of a vacancy on the board, make recommendations on candidates for nomination or appointment as a director;
- (d) Oversee the director nominations and retirements by rotation process associated with Vector's annual meeting;
- (e) recommend procedures for the regular review of the performance of the Board and individual directors;
- (f) 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;
- (g) Ensure there is an appropriate induction and education programme in place for new directors;
- (h) Ensure that letters of engagement are in place for all directors;
- (i) Make determinations as to the independence status of all directors; and

(j) Undertake such other matters that the board may refer to the Committee from time to time.

1.3 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. STRUCTURE AND COMPOSITION

2.1 The committee shall comprise not less than three members, being directors of Vector a majority of whom shall, wherever possible, be independent non-executive directors.

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

3. CONSULTATION

3.1 For such time as the trustees of the Auckland Energy Consumer Trust 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.

3.2 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

4.1 Meetings and procedure

The nominations committee shall meet formally at least two times 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

The nominations committee must extend an invitation for attendance to other directors, where the Nominations committee thinks this is appropriate. The committee shall extend an invitation for attendance to the group chief executive and relevant executives where the committee thinks this is appropriate.

5. REPORTING

- 5.1 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 3 above.

6. REVIEW OF COMMITTEE

- 6.1 The committee shall undertake a regular self review of its:
- (a) objectives and responsibilities; and
 - (b) charter.