

**VECTOR LIMITED**  
**RISK & ASSURANCE COMMITTEE CHARTER**



**1. ROLE PURPOSE AND RESPONSIBILITIES**

The role of the Risk and Assurance committee is to assist the Board in performing its oversight responsibilities relating to the identification, analysis and management of risks which may have a significant influence on the performance of the Company.

The purpose of the Committee is to consider and, if appropriate, approve the recommendations of the Executive Risk Management Committee ("ERMC") for submission to the Board and to provide strategic guidance and feedback to the Board and ERMC on Vector's risk management policy. The Chief Executive is to have accountability as ERMC Chair.

The responsibilities of the Committee are to:

- Approve Risk Management Policy for recommendation to the Board;
- Approve the charter of the ERMC;
- Review reports from the ERMC, including the Company's risk registers;
- Review Vector's risk system annually, including the systematic management of risk on a consistent basis across the group's operations;
- Oversee the Company's insurance programme, including periodically reviewing insurance coverage;
- Approve and oversee the Company's internal audit programme;
- Refer items of financial risk to the Audit Committee for consideration;
- Prepare annual reports for investors and stakeholders on risk identification and management and on relevant internal controls; and
- Such other directives that the Board may set down from time to time.

**2. STRUCTURE AND COMPOSITION**

The Committee will comprise not less than three members, being directors of the company. A standing invitation exists for attendance to the chair of the ERMC.

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

**3. Internal Audit**

The Committee shall liaise with the internal auditors, including:

- Meeting with the internal auditors at the commencement of the planning phase of the audit so that areas of mutual interest and concern can be discussed. This should be limited to significant issues only. One aspect of specific consideration would be the levels of materiality to be adopted by the internal auditors in respect of Vector;

- Receiving and considering internal audit reports, including management response to those reports;
- Undertaking a regular overview and assessment of the appropriateness of the functions of internal control and internal audit within the company;
- Reviewing annually the proposed level of the internal audit fee and making an appropriate recommendation to the Board; and
- Meeting with the internal auditors to work towards an acceptable resolution should areas of major difficulty or controversy arise during the course of an audit.

The Risk and Assurance Committee will regularly report to the Board Audit Committee in respect of the internal audit practices, and will facilitate unrestricted access by the Audit Committee to the internal auditors, as the Audit Committee sees necessary.

#### **4. MEETINGS**

The committee will meet quarterly until dissolved by further resolution of the Board. All meetings shall be minuted.

A quorum for a meeting of the Committee shall be 3 members.

#### **5. REPORTING**

The Committee will report its decisions and recommendations to the board; such report to be made at the next scheduled meeting of the Board.

#### **6. REVIEW OF COMMITTEE**

The Committee shall undertake:

- (a) A regular self review of its objectives and duties; and
- (b) A regular self review of its charter.

**Approved by the board on 13 March 2007**