

# CODE OF CONDUCT AND ETHICS

Owner: Vector Board of Directors  
Dated: May 2015

Vector is committed to acting ethically and responsibly. Vector's Code of Conduct and Ethics sets the ethical standards expected of the Vector group's directors and staff and anyone acting on our behalf. References to Vector below include Vector Limited and its related companies.

This code is a Vector policy. It refers to a number of other Vector policies and matters reflected in employment agreements. You are required to comply with these policies and agreements.

## Contents

1.	POLICY .....	1
2.	CONFLICTS OF INTEREST .....	2
3.	BRIBERY .....	2
4.	GIFTS, ENTERTAINMENT AND KOHA .....	2
5.	CONFIDENTIALITY AND PRIVACY .....	3
6.	TREATING OTHERS WITH RESPECT AND VALUING DIFFERENCE .....	3
7.	PROPER USE OF VECTOR ASSETS .....	3
8.	INTELLECTUAL PROPERTY .....	4
9.	INSIDER TRADING .....	4
10.	DELEGATED AUTHORITIES .....	4
11.	COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND RULES .....	4
12.	REPORTING CONCERNS .....	5
13.	DISCIPLINARY MEASURES .....	5
14.	HEALTH AND SAFETY .....	5
15.	COMMUNITY .....	6
16.	REVIEW .....	6

## 1. Policy

- 1.1 You are expected, at all times, to act in the best interests of Vector and value Vector's reputation. In particular you must:
  - (a) Undertake your duties efficiently and conscientiously observing the highest level of professional behaviour;
  - (b) Undertake your duties in a manner that ensures your safety and the safety of others, including members of the public;
  - (c) Achieve Vector's business interests in a loyal and efficient manner, conducting yourself in a manner that reflects credit on both you and Vector; and
  - (d) Deal with stakeholders honestly, fairly and with high standards of personal integrity.
- 1.2 This code provides a practical set of guiding principles to help you make decisions in your daily job. It is not intended to prescribe a list of acceptable and non-acceptable behaviour, rather it is intended as a guide to the conduct that is consistent with Vector's values.

- 1.3 There are four steps to help you maintain Vector's high ethical standards:
- (a) Be familiar with this code;
  - (b) Apply it in every situation;
  - (c) Always try to do what is right; and
  - (d) If you are unsure what to do, ask your manager.

## **2. Conflicts of interest**

- 2.1 You are expected to act in Vector's best interests at all times. Therefore you must not engage in any business, commercial or other activity which is not in the best interests of Vector, would conflict with your ability to perform your duties to Vector, or may be likely to bring Vector into disrepute.
- 2.2 You must not take any opportunity discovered through the use of Vector property or information for personal gain.
- 2.3 The perception of a conflict of interest can do as much damage to Vector's reputation as an actual conflict of interest. You must remember that when a conflict may be perceived by others you should take action to avoid or address this risk.
- 2.4 You must seek Vector's written approval if:
- (a) Any outside interest you have has the potential to be in conflict with your employment, the interests of Vector or Vector's partners, customers or supplier (such outside interests include non-Vector work, paid or unpaid, business ventures, directorships, partnerships or other interests); or
  - (b) You do business with, transact or hold a direct or indirect financial interest in customers or suppliers you deal with in the course of your work with Vector (excluding your interest as a consumer of services from Vector's customers or suppliers e.g. as an electricity consumer).
- 2.5 You must disclose to your manager any personal associations with a third party that you are involved in evaluating or negotiating with for Vector.

## **3. Bribery**

- 3.1 You must never offer, give, accept or receive directly or indirectly a bribe of any form. A bribe is the giving or receiving of anything of value (e.g. money, a gift, loan, favour or other benefit) as an inducement to gain an undue advantage.
- 3.2 You should never:
- (a) Try to influence the outcome of any decision e.g. by offering a payment or benefit that is not legally due; or
  - (b) Give or receive a gift which is inconsistent with clause 4 (Gifts and entertainment) below.
- 3.3 The process for reporting any concerns you have about bribery or a potential bribery situation is set out in clause 12.2.
- 3.4 No donation or payment can be made to a political party or candidate by Vector, unless it has been approved by the Vector board and/or the Group Chief Executive.

## **4. Gifts, entertainment and koha**

- 4.1 You must not accept gifts or personal benefits of any value from external parties if it could be perceived this could compromise or influence any decision by Vector.

- 4.2 You must not offer or give any gift or benefit that makes the recipient feel obligated or could be construed as a means to make the recipient feel obligated to start or continue a business relationship. You should ensure that any gift does not breach the recipient's gift policy.
- 4.3 You may only accept a gift or benefit worth \$200 or more from a third party with the approval of your manager (or in the case of a director or the group chief executive, the approval of the Chair of the board) and that gift or benefit must be disclosed to the Company Secretary who will enter it into Vector's gift register.
- 4.4 Entertainment may be offered and accepted in the ordinary course of business, provided it is reasonable in light of the nature and value of the business relationship with Vector and if the entertainment you receive from a third party is worth \$200 or more it must be disclosed to the Company Secretary who will enter it into Vector's gift register. Obtain your managers approval before offering or accepting any such entertainment.
- 4.5 Koha is a gift or contribution given on appropriate occasions made in the context of a Maori (or another culture's) custom. Koha may only be given if it is culturally appropriate and there is no expectation that the recipient provides something in return. You must obtain the approval of the group chief executive team or a member of the executive team before giving koha. It is not appropriate for Vector to receive koha.

## **5. Confidentiality and privacy**

- 5.1 Misuse of confidential and private information can have serious commercial and reputational consequences for Vector. You must keep all confidential and private information secure.
- 5.2 You must not disclose to any person any confidential information relating to Vector, colleagues, suppliers, customers or other third parties which came to your knowledge through your association with Vector.
- 5.3 You should never disclose personal information about customers or colleagues to:
  - (a) Anyone at Vector unless that person needs that information as part of their role; or
  - (b) Third parties outside Vector unless the person the information relates to has consented or you are required to do so by law (you should check this with Vector's privacy officer, or a member of the legal team, first).
- 5.4 On leaving Vector, you must return all confidential information, records and documents including reproduction of those records or documents to Vector.

## **6. Treating others with respect and valuing difference**

- 6.1 Vector respects and values the benefit of diversity and is committed to ensuring that we remain inclusive and respectful of each other's differences. We are all expected to ensure that we treat colleagues, customers, suppliers and third parties with dignity and respect.
- 6.2 Discrimination, harassment, bullying or degrading treatment will not be tolerated.
- 6.3 You must never treat someone less favourably because they have reported or complained of unacceptable behaviour.

## **7. Proper use of Vector assets**

- 7.1 You should use your best endeavours to protect Vector's assets (including its systems, information, intellectual property and networks) from loss, damage, misuse, waste and theft.
- 7.2 You must only use Vector's assets for legitimate business purposes authorised by Vector and not for personal gain.

## **8. Intellectual property**

- 8.1 You must respect the intellectual property rights of others. Any patent, design, copyright or other form of intellectual property or proprietary interest developed by you or anyone else working for Vector in the course of their duties is the property of Vector.

## **9. Insider Trading**

- 9.1 You must adhere to the procedures set out in the **Insider Trading Policy** when trading in Vector's securities. This policy (and the law) prohibits you from trading or encouraging others to trade in any listed securities of Vector Limited or its subsidiaries if you possess material information. Nor can you pass on that material information.
- 9.2 These principles also apply to non-Vector listed securities and you should ensure that you comply with the prohibitions against insider trading in the Securities Markets Act 1988.

## **10. Delegated authorities**

- 10.1 Delegated authorities (DAs) are authorities given to enable specified employees to make financial or other commitments which enable the efficient operation of the business.
- 10.2 The board approves the DAs for the Group Chief Executive. The Group Chief Executive may delegate a portion of the authority delegated to him to the executive team and members of the Group Chief Executive Office. A member of the executive team may delegate to employees in their business unit a portion of the authority delegated to him or her. Vector Staff who have had authority delegated to them are required to act only within the limits of their DAs.
- 10.3 You must make sure that you comply with the **Delegated Authorities Framework**. This can be found on VectorConnect, along with individuals personal authorities, under Fundamentals@Vector>Finance>Delegated Authorities.

## **11. Compliance with applicable laws, regulations and rules**

- 11.1 You must:
  - (a) Conduct yourself in a manner that is consistent with all Vector policies, frameworks and processes at all times;
  - (b) Comply with all applicable legislation, regulations, local authority by-laws, rules (including the NZX Listing Rules) and regulations, in accordance with Vector's Legal Compliance Policy;

- (c) Complete all statutory and internal disclosure requirements as required, including disclosing Inland Revenue Department debts and court orders; and
- (d) Never knowingly participate in any illegal or unethical activity.

## **12. Reporting concerns**

- 12.1 Through its Whistleblower Policy, Vector recognises the protections afforded employees under the Protected Disclosures Act 2000 and will support employees who, acting in good faith, report any serious wrongdoing. To the extent it is possible to do so, Vector will keep confidential the identity of the person making the report.
- 12.2 If you become aware of a breach or suspected breach of this code or of any law, regulation, Vector policy or any other serious misconduct or serious wrongdoing, you may report it to:
- (a) A relevant manager; or
  - (b) If not appropriate for any reason, to the Chief Risk Officer; or
  - (c) If not appropriate for any reason, to the Group Chief Executive; or
  - (d) If none of the above are appropriate for any reason, the Chair of the board; or
  - (e) If none of the above are appropriate for any reason and you wish to make a protected disclosure, to an appropriate external authority (see the Glossary to the Whistleblower Policy for a list of appropriate external authorities).
- NOTE that any fraud or suspected fraud should be reported in accordance with the Fraud Control Policy.
- 12.3 Any person receiving a report of a breach or suspected breach of this code or of any law, regulation or Vector policy must investigate the reported breach or suspected breach using Vector's Whistleblower Investigation Procedure (set out in the Whistleblower Policy) and ensure that appropriate action is taken.

More information about these responsibilities is contained in the **Delegated Authorities Framework**.

## **13. Disciplinary measures**

- 13.1 Vector operates various Human Resources policies and reserves the right to summarily dismiss an employee where an act of serious misconduct is committed and other disciplinary action is inappropriate. Any disciplinary action will be carried out according to Vector's **Performance and Conduct in the Workplace**.
- 13.2 Misconduct and poor performance will normally result in counselling, training and warnings, and may result in dismissal if repeated.
- 13.1 Examples of serious misconduct which could result in dismissal include, but are not limited to: fraud, misuse or theft of property, including intellectual property, from Vector or another employee, inappropriate use of Vector's equipment, including a breach of Vector's **IT Acceptable Use Policy**, record falsification, unauthorised disclosure of information, harassment, assault, verbal abuse or intimidation, behaviour endangering others, serious breaches of safety rules, refusal to obey lawful and reasonable instructions, or breach of Vector's Drug and Alcohol Policy.
- 13.4 Code breaches and disciplinary action are complex issues and present unique challenges to Vector and the individual. Advice would normally be sought from the Human Resources team before commencing any action/process.

## **14. Health and safety**

- 14.1 Vector promotes a “safety always” culture and is committed to ensuring that every employee and contractor returns to their family healthy and uninjured at the end of every working day. We are all responsible for ensuring that we are aware of and follow company health and safety policies, standards and procedures.

## **15. Community**

- 15.1 In keeping with Vector’s overall philosophy of being a responsive and responsible corporate citizen, Vector strives to operate in a manner that encourages lasting, beneficial and interactive relationships with the communities in which it operates.
- 15.2 Vector’s current programme of sponsorship and support can be found at [vector.co.nz/about/about-us/community](http://vector.co.nz/about/about-us/community).

## **16 Review**

- 16.1 If you have feedback about this code please contact the Company Secretary.