



RISK MANAGEMENT POLICY STATEMENT

Owner: Vector Board of Directors
Dated: July 2015
Review Date: June 2017

At Vector we understand and recognise that rigorous risk and opportunity management is essential for corporate stability and for sustaining our long term performance.

Vector is committed to ensuring that our risk management practices support organisational performance and are embedded within our business processes and operations to drive consistent, effective and accountable decision making and management practice.

Our risk management practice is defined and implemented recognising the nature of the business activities that Vector undertakes including being a supplier of critical infrastructure, a leading New Zealand listed company and an operator of potentially hazardous material.

The following objectives drive Vector's approach to risk management:

- Promoting an enterprise wide approach by integrating risk management into everything we do;
- Promoting consistency and transparency in methodology, assessment and management processes;
- Operating within our risk appetite and promoting a culture of openness and accountability;
- Proactively utilising risk management to support effective decision making and robust commercial outcomes, support organisational performance, safeguard the company's assets, and improve stakeholder confidence and trust;
- Providing appropriate, consistent and transparent ownership and accountability for risk mitigation; and
- Recognising that timely and accurate monitoring, review, communication and reporting of risk is critical to the board's oversight of management's design and effective operation of risk management.

Vector has implemented an enterprise risk management framework based on the principles set out in the global risk management standard, ISO 31000:2009 to improve its ability to meet the objectives outlined above.

Good corporate governance will be assured through the regular measurement and reporting of our risk management performance to the Board Risk and Assurance Committee. Vector will commit the necessary resources to ensure that this policy is satisfied.

Any questions about this policy and its application may be directed to:

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