



OPUS INTERNATIONAL CONSULTANTS LTD

**REMUNERATION & NOMINATION
COMMITTEE CHARTER**

DECEMBER 2012

Adopted at Opus Board Meeting 12 December 2012



OPUS INTERNATIONAL CONSULTANTS LIMITED

REMUNERATION AND NOMINATION COMMITTEE CHARTER

1. Introduction

This is the Remuneration and Nomination Committee (Committee) Charter for the Company. It governs the procedures of the Committee and outlines the procedures and guidelines in relation to the remuneration of directors and chief executive of the Company.

2. Audit Remuneration and Nomination Committee

2.1 Role of Committee

The role of the Committee is to review and make recommendations to the Board in respect of:

Remuneration matters

- (a) an executive remuneration and incentive policy;
- (b) the remuneration of the chief executive ;
- (c) an executive incentive plan;
- (d) an equity based incentive plan;
- (e) the remuneration of non-executive directors;
- (f) policies relating to recruitment, retention, performance measurement and termination for non-executive directors, the chief executive and all senior executives reporting directly to the chief executive
- (g) the disclosure of remuneration in the Company's public materials including NZSX filings and the annual report;

Nomination matters

- (h) assessing the skills and competencies required on the Board;
- (i) from time to time assessing the extent to which the required skills are represented on the Board;
- (j) establishing processes for the review of the performance of individual directors and the Board as a whole;
- (k) establishing processes for the identification of suitable candidates for appointment to the Board; and
- (l) recommending the appointment and removal of directors.



2.2 Special Investigations and Access to Employees

Further the Committee is entitled to direct any special investigation that the Committee considers appropriate and to consult any independent expert that the Committee considers appropriate to carry out its duties. The Company bears the costs of any such investigation or consultations.

The Committee is entitled to call on and use any employee of the Company to the extent that the Committee considers appropriate to carry out the Committee's role and responsibilities.

2.3 Composition

The Committee will comprise at least three members consisting of a majority of independent non-executive directors. The Board will appoint one of these members as the Chair of the Committee.

2.3.1 Removal or Resignation

If a member of the committee retires, is removed or resigns from the Board, that member ceases to be a member of the committee. The Board will appoint the successor.

2.3.2 Committee May Invite

The Committee may invite any executive management team member or any other individual to attend a meeting of the Committee, as they consider appropriate.

The chief executive will be the principal liaison between executive management and the Committee on remuneration matters and will be invited to attend meetings when the Committee considers appropriate.

2.3.3 Secretary

The HR manager is the secretary of the Committee.

2.4 Meetings

2.4.1 Frequency

The Committee will meet as frequently as required but not less than once a year. Any Committee member or the company secretary may call a Committee meeting.

2.4.2 Calling Meetings and Notice

A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee (with a copy to all board members) five working days before the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.



2.4.3 Advice

The Committee may have access to professional advice from employees within the Company and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

2.4.4 Report to Board

The Committee chair, or delegate, will report to the Board following each meeting. The Committee will report to the Board regularly on the matters set out in **section 2** of this document.

The Committee will prepare for approval by the Board any report on the matters set out in **section 2** that may be:

- (a) required by any listing rule, legislation, regulatory body or other regulatory requirement; or
- (b) proposed for inclusion in the annual report.

2.4.5 Minutes

Minutes of proceedings and resolutions of Committee meetings will be kept by the secretary. Minutes will be distributed to all Committee members and the chair of the Board, after the Committee chair has given the preliminary approval. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

2.4.6 Quorum and Voting

A quorum will comprise any two Committee members. In the absence of the Committee chair or appointed delegate, the members will elect one of their number as chair for that meeting.

Each member will have one vote and the chair of the Committee will not have a second or casting vote.

3. Duties and Responsibilities – Remuneration Matters

3.1 Executive Remuneration Policy

In order to fulfil its responsibilities to the Board the Committee will:

- (a) review and make recommendations to the Board regarding the Company's policy for determining executive remuneration including, but not limited to, superannuation rights and compensation payments, and any amendments to that policy proposed from time to time by management;
- (b) review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs;
- (c) consider whether to seek shareholder approval of the executive remuneration policy; and
- (d) oversee the implementation of the remuneration policy within the Company.

3.2 Executive Directors and Senior Management

In order to fulfil its responsibilities to the Board the Committee will consider and make recommendations to the Board on the entire specific remuneration for the chief executive, (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy, and determine whether any shareholder approvals are required and that any equity-based executive remuneration is made in accordance with shareholder approvals.

3.3 Executive Incentive Plans

In order to fulfil its responsibilities to the Board the Committee will review and make recommendations to the Board regarding the design of all executive incentive plans.

3.4 Equity Based Plans

In order to fulfil its responsibilities to the Board the Committee will:

- (a) review and make recommendations to the Board regarding the design of all equity based plans;
- (b) keep all plans under review in the light of legislative, regulatory and market developments;
- (c) for each equity based plan, determine each year whether awards will be made under that plan;
- (d) review and make recommendations to the Board regarding total proposed awards under each plan;
- (e) review, make recommendations to the Board and keep under review performance hurdles for each equity based plan.

3.5 Non-Executive Director Remuneration

In order to fulfil its responsibilities to the Board the Committee will:

- (a) review and establish the level of remuneration for non-executive directors. The level of director remuneration is to be set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type. However, remuneration for non-executive directors must not include any of the following:
 - (i) any bonus or performance-related payments; or
 - (iii) any retirement benefits;
- (b) where necessary recommend that the Board seek an increase in the amount of remuneration for non-executive directors above that already approved by shareholders; and
- (c) the Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

This is an area that always receives a lot of public attention and the Guidelines reflect the current thinking that non-executives should be remunerated by fees without any entitlement to equity-based benefits or bonus payments and that they not receive any retirement benefits other than statutory superannuation.



3.6 Disclosure

In order to maintain remuneration transparency, both the levels and process of setting the remuneration for directors and the chief executive are to be fully and fairly reported to the extent considered desirable by the Board and consistently with any mandatory regulatory requirements.

3.7 Approvals

Before implementing any of the following proposals the Board will ask the Committee to review the proposal and make a recommendation to the Board in relation to:

- (a) any change to the remuneration or contract terms of the chief executive ;
- (b) the design of any new equity plan or executive cash-based incentive plan, or the amendment of any existing equity plan or executive cash-based incentive plan;
- (c) the total level of award proposed from equity plans or executive cash-base incentive plans; and
- (d) any termination payment to the chief executive. A termination payment to any other departing executive who reports directly to the chief executive must be reported to the Committee at its next meeting.

4. Duties and Responsibilities – Nomination Matters

4.1 Current Board

4.1.1 Skill Requirements

The Committee will periodically assess the skills required to discharge the Board's duties, having regard to the strategic direction of the Company, and report the outcome of that assessment to the Board.

The Committee will, as and when it considers appropriate, but in any event whenever an existing non-executive director retires, assess the skills represented on the Board by the non executive directors and determine whether those skills meet the required skills as identified.

4.1.2 Skill Enhancement

The Committee will make recommendations to the chairman of the Board on means by which skill levels of existing non-executive directors can be enhanced.

4.2 New Candidates

4.2.1 Candidate Identification

Having regard to the skills required and the skills represented, the Committee will implement a process for the identification of suitable candidates for appointment to the Board of non-executive directors.

The Committee will make recommendations to the Board on candidates it considers appropriate for appointment.

The Board will, taking into consideration the Committee's recommendations, make the final determination on the criteria to be adopted for selection of



candidates, and on whether it will support the appointment of such candidates to the Board.

4.2.2 Re-nomination of Retiring Non-Executive Directors

The Committee will inform the Board of the names of non-executive directors who are retiring in accordance with the provisions of the constitution and may make recommendations to the Board as to whether the Board should support the re-nomination of that retiring director.

In order to make these recommendations; the Committee will review the retiring non-executive director's performance during the period in which the non-executive director has been a member of the Board. The Committee will conduct that review by whatever means it considers appropriate.

A member of the Committee will not participate in the review of his or her own performance.

4.3 Appointment of Directors

Once the Board, after reviewing the recommendations provided by the Committee, has decided to appoint a new candidate to non-executive director, the Company will provide the letter of appointment and relevant documents contained in Annexure 1 to the new non executive director.

4.4 Induction Procedure

There are many issues, procedures and policies that a new non-executive director of the Company will need to be aware of and understand. Therefore, it is important for the Company to have an induction procedure.

4.5 Disclosure

In order to maintain transparency the role of the Committee is to be fully and fairly reported.

Consistent with the disclosure policy the Committee will ensure that any notice of meeting containing a resolution for the election of a director is appropriately framed and includes information that investors might reasonably need in order to make an informed decision about the relevant candidates.

5. Evaluation Process

A performance evaluation process applies to:

- (a) the Board;
- (b) board committees; and
- (c) individual directors

The objective of this process is to add value to the contribution made by each director and the Board, rather than to merely implement a checklist approach.

6. Review

The chair of the Board will, in consultation with the Committee, conduct an annual review of the Charter to ensure that the Charter continues to reflect the current processes and guidance utilised when assessing the appropriate



remuneration/nominations of the directors and the chief executives. The Board will need to approve any amendments to the Charter that stem from the review.



Annexure 1

Letter of appointment of director

[Date]

[Name/Address of director]

Dear [director]

Appointment as a non-executive director of the Company

I am delighted to confirm your appointment as a non-executive director of the Company.

I believe that given your background and experience you will contribute significantly to the operation of the Board of the Company.

The terms of your appointment are contained in this letter and in the **enclosures** to this letter. **Attached** are:

1. Consent to act as a director and statutory information;
2. Directors' Induction Manual (which includes a copy of the Company's constitution, the latest annual report, Board charter, Continuous Disclosure Policy and other relevant policies and committee charters);
3. Director's Insurance and Information;
4. Letter of Undertaking in relation to disclosure of interests in the Company securities;
5. The Board charter;
6. Directors' code of conduct
7. Business Plan and Strategic Plan, and
8. **[any other relevant documents]**.

Please complete, sign and return, as soon as possible, the Consent, Letter of Undertaking, and a copy of this letter. If you have any queries in relation to the operation of any of these documents, please contact the company secretary.

The purpose of this letter is to set out the terms of your engagement as a director of the Company and to assist in your understanding of the operations of the Company and the role and responsibilities of the Board of the Company.

While important information regarding your appointment is contained in the **attached** materials, I would like to take this opportunity to set out some of the key points regarding your appointment as a director of the Company:

1 Constitution

I encourage you to make yourself familiar with the constitution, in particular the rules relating to directors.

2 Role of directors and corporate governance

As a director, you will have duties and obligations in accordance with the Companies Act 1993 and the constitution. The directors are responsible for the stewardship of the Company, and the position as director is likely to require a substantial time commitment on your part.

The Company regards corporate governance as a key priority, and to this end, I encourage you to become familiar with the formal policies and charters contained in the Director's Induction Manual, (**attached**) which sets out the key responsibilities and the operation of the Board.

3 Meetings

The Board meets five times a year, and the schedule for the forthcoming year is set out in the Director's Induction Manual (**attached**). Meetings are usually preceded and followed by certain Board committee meetings and presentations by senior management.

From time to time, Board meetings need be convened on short notice, often by a telephone conference. Because of the nature of the Company's business, meetings are sometimes held in New Zealand, and may be accompanied by a relevant site tour, but may also be held in Australia and Kuala Lumpur.

You must adequately prepare for the agenda items at Board meetings. Potential conflicts of interests including any interests which may cause you to cease to be an independent director] must be disclosed at each Board meeting as a standing agenda item.

4 Access to independent advice

If you consider you require independent advice in relation to the performance of your duties as a director of the Company, in consultation and with the prior approval of the chairman, you have the right to seek independent legal and other professional advice in relation to the relevant issue.

The Company will reimburse costs reasonably incurred in obtaining independent advice.

5 Board Committees

The Board has the following Committees:

- Audit and Risk Management Committee;
- Remuneration and Nomination Committee;

Your committee appointments will be determined at the next Board meeting. [**Given your background and experience, the Board is of the view that the [insert relevant committee name(s)] committees would benefit from your contribution.**]

6 Director's Fees

As a director, you will (currently) be entitled to an annual fee of \$[**insert**] payable in cash. The fee will be paid **quarterly**.

The annual fee payable to you will be reviewed periodically by the Company's Remuneration and Nomination Committee, subject to the provisions of the Companies Act, the constitution and the Listing Rules.

It is important to note that the amount of remuneration, including all monetary any non-monetary components and termination entitlements will be subject to disclosure obligations under the Companies Act and the NZSX Listing Rules.

7 Reimbursement of expenses

In addition to your annual fee, and subject to the constitution and resolutions of shareholders, the Company will reimburse you for all reasonable expenses properly incurred by you in the performance of your duties in connection with the business of the Company. This includes, without limitation, travel to meetings and meetings of the Board and committees, provided that wherever possible you must provide documentary evidence (including goods and services tax receipts) reasonably required by the Company.

8 Directors Insurance

For your benefit, the Company has Directors and Officers Insurance and Access. If you have any queries in relation to the insurance cover, please contact the company secretary.

9 Disclosures and trading in the company securities

In accordance with the obligations imposed by the Companies Act, the Listing Rules and the constitution, you must, from time to time, make all necessary disclosures to the Company in relation to your relevant interests in the Company's securities. This requirement is set out in more detail in the **attached** Letter of Undertaking with the Company, which I ask you to complete and return to the Company as soon as possible.

10 Other directorships and commitments

As a director of the Company, you are not precluded from being appointed to other directorships, including to the boards of other listed public companies. While I encourage you to take up such opportunities, I am mindful of the substantial time commitment required.

11 Director induction

In the Director's Induction Manual, you will find details of your proposed induction as a director of the Company, including documents relevant to your appointment. As part of your induction, you should:

- meet the chief executive, the chief financial officer, and other relevant officers;
- be formally briefed on the financial, strategic and operational position of the Company;
- be formally briefed in relation to your and Letter of Undertaking in relation to disclosure of interests in the Company securities;
- review the minutes of Board meetings for the last twelve months, and the last annual report of the Company; and
- request through my office or the office of the chief executive any further or additional briefing you consider to be desirable.

I would appreciate you confirming your agreement with the above terms by signing the attached copy of this letter and completing the **attached** documents, as indicated, as soon as possible, and returning them to me.

Finally, I look forward to working with you towards building shareholder wealth in this company.

Yours sincerely

Kerry McDonald
Chair

I agree to the terms of this letter

Dated:

Director's signature

Annexure A

Consent to act as director and statutory information



Annexure B

Director induction manual

Contents

- 1 Constitution**
- 2 Board Charter**
- 3 Annual Report**
- 4 Directors' Code of Conduct**
- 5 Continuous Disclosure Policy**
- 6 Business Plan**
- 7 Strategic Plan**

