



OPUS INTERNATIONAL CONSULTANTS LTD

BOARD CHARTER

JUNE 2017

Adopted at Opus Board Meeting 20 June 2017

BOARD CHARTER

1. Introduction

This charter and the Board committees' charters and policies set out the governance requirements for the Opus Board. These include the roles and responsibilities, procedures, powers and reference to applicable legislation.

2. Purpose

The Board has a statutory responsibility for the affairs and activities of the Company, which in practice is achieved through delegation to the Managing Director and others who are charged with the day-to-day leadership and management of the Company. The Managing Director also has a special responsibility to manage and oversee the interfaces between the Company and the public and to act as the principal representative of the Company.

The Board has adopted the following governance objectives:

- a) To lay solid foundations for management and oversight;
- b) To structure itself to add value;
- c) To promote ethical and responsible decision-making;
- d) To safeguard the integrity of its financial reporting;
- e) To make timely and balanced disclosures;
- f) To respect the rights of all shareholders;
- g) To recognise and manage risk;
- h) To remunerate fairly and responsibly;
- i) To ensure the effective monitoring and management of health safety and wellbeing; and
- j) To promote a corporate culture which embraces diversity.

3. Responsibilities of the Board

3.1 Policy and Corporate Strategy

The Board's role is to represent and promote the interests of shareholders with a view to adding long-term value to the Company's shares. The Board oversees the governance of the business and affairs of the Company including, in particular:

3.1.1 Ensuring

- the Company's goals are clearly established and that strategies are in place for achieving these;
- there is ongoing review of performance against the strategic objectives; and
- there is ongoing assessment of business risks and ensuring appropriate controls and accountability systems in place to manage these.

3.1.2 Approving

- transactions relating to acquisitions and divestments and capital expenditure above delegated authority levels;
- and monitoring the Company's financial and other reporting and ensuring the Company's financial statements represent a true and fair view;

- monitoring the performance of management;
- appointing the CE, setting the terms of their employment, and where necessary, terminating their employment;
- ratifying the appointment and removal of the Chief Financial Officer and the General Counsel; and
- establishing policies for strengthening the performance of the Company including ensuring that management is proactively seeking to build the business through innovation, initiative technology new products and the development of its business capital.

The annual planning process includes management developing a three-year business plan incorporating an Annual Operating Plan for the forthcoming year. The Board will review and will approve the Annual Operating Plan and the capital expenditure and operating budget for the forthcoming year.

4 Board Composition

4.1 Composition

The Constitution requires that the Board will comprise at least three members, and be no more than 9, with at least 2 being ordinarily resident in New Zealand. Subject to these limitations the Board shall determine the number of directors.

The Board will comprise one-third independent directors who must meet the independence requirements described below.

The role of the independent Director is to ensure that the Board is acting in the best interests of the Company as a whole, and to exercise due care diligence and skills in relation to the affairs and management of the Company. Independent Directors can provide business experience from a range of areas, including providing insights from the operations of other Boards, allowing cross fertilisation of ideas, and best practice.

4.1.1 Rotation

At least one third of all Directors, or if their number is not a multiple of three, then the number nearest to one third shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. In each year the Directors who retire are those who have been longest in office since their last election. There is no maximum term for which a person can remain a Director.

One Director who is an employee of the Company is not required to retire by rotation. If there is more than one Director who is also an employee of the company (whether or not a Managing Director) the Board may nominate which one of those Directors is not liable to retire by rotation. That executive Director shall be included in the number of Directors for the calculation of the number of Directors to retire by rotation

4.1.2 Independence

In order for a Director to be considered independent the Director must not be an executive officer or have any disqualifying relationship.

A “disqualifying relationship” means any indirect interest or relationship that could reasonably influence or be perceived to influence in a material way, the Directors decisions in respect to the Company. A Director shall be deemed to have a disqualifying relationship in the following circumstances:

- A relationship as a substantial security holder in the Company or an associated person of that substantial security holder (other than solely as a consequence of being a Director of the Company)
- A relationship (other than in the capacity as a Director of the company) with the Company or a substantial security holder in the Company, and by virtue of which the Director or associated person of the Director has derived or is likely to derive in the

Company's current financial year, 10% or more of his, her or its annual revenue during such financial year.

For the purposes of the above definition:

- “associated person” means a person as defined by NZX Listing Rule 1.3;
- “Executive Officer” means the Chief Executive Officer or any of the Chief Executive Officer's direct reports;
- “indirect relationship” includes relationships as a supplier, partner, customer, shareholder or an officer of an organisation that has a direct relationship with the Company;
- “relationship” includes indirect relationships and direct relationships such as employment and other contractual relationships; and
- “substantial security holder” means a person who has a relevant interest in 5% or more of the voting securities of the Company.

4.1.3 Chairperson

The Directors may elect one of their number as Chairperson and, if they wish, a Deputy Chairperson, and set the period for which the Chairperson, and any Deputy Chairperson are to hold office.

The Chairperson of the Board must be an independent director and must not be the same person as the MD or the Chairperson of the Audit Committee.

The Chairperson's responsibilities are to:

- a) Provide effective leadership to the Board and the company and be the primary interface with the MD;
- b) Promote the integrity and effectiveness of the governance of the Board and the efficient and ethical conduct of Board meetings;
- c) Provide Directors with the opportunity to discuss contrasting views. Explore ideas and generate the collective views and contribution of knowledge necessary for the effective operation of the Board and the Company;
- d) Maintain regular dialogue with the MD on operational issues and financial performance and, where required, escalate matters to all Directors for consideration and resolution;
- e) Chair meetings of the Board and of shareholders and represent the board with shareholders and stakeholders; and
- f) Approve, in consultation with the board the appointment of consultants who report to the Board.

4.1.4 Company Secretary

The Company Secretary, who is appointed by the Board as a whole, is accountable to the Board via the Chairperson, on all governance matters. The Company Secretary plays a significant role in monitoring compliance with Board policy and procedures, and with ensuring timely completion of the Board agenda and briefing material. All Directors have access to the Company Secretary.

4.2 Composition and Role of Committees

The Committees of the Board review and analyse policies and strategies which are within their respective terms of reference and are developed by management. They examine proposals and where appropriate make recommendations to the full Board. Committees do not take action, or make decisions on behalf of the Board unless specifically mandated by prior Board approval to do so.

The current committees of the Board are the Audit Committee, the Risk and Health and Safety Committee, and the Remuneration and Nomination Committee. An individual charter has been developed for each committee, which will be reviewed by the Board every two years. From time to time the Board may create ad hoc or other committees to examine or have the delegated authority to deal with specific issues on behalf of the Board.

There is currently a Funding Committee which has been established for an initial one year period with the authority to increase commercial paper limits, secure appropriate new funding lines, and extend the maturity of funding lines.

Committee Chairpersons are appointed by the Board.

The Board reviews annually the performance of each committee, to ensure that each committee is acting in accordance with its Charter.

5 Board Procedure

5.1 Board Materials and Presentations

The Company Secretary will maintain an update schedule for the Board and for each Committee, to note regular items for consideration at the appropriate meeting, together with actions arising from previous meetings and these will form the basis for the agendas for board and committee meetings

The Chairman of the Board meets with the Managing Director prior to each Board meeting to discuss the agenda for the forthcoming Board meeting. Each Committee Chair or Director is able to suggest agenda items.

It is recommended that Directors receive materials 5 working days in advance of meetings except in the case of special meetings for which the time period may be shorter due to the urgency of the matter to be considered. Guidelines are in place for the content, presentation and delivery of papers to Directors for each meeting.

The Board meets at least 6 times each year, and aims to rotate meeting venues around Opus offices. While the Board confirms the value of face-to face meetings, it will meet at least once a year by teleconferences. The Board will approve the annual meeting schedule for the ensuing year at the October meeting.

The Board encourages the Managing Director to bring employees to Board meetings who can provide additional insight into the items being discussed because of personal involvement in those matters, including those employees whose future potential the Managing Director believes should be given exposure to the Board.

The Board of Directors meets regularly on an “in camera” basis without management present.

The Board supports the concept of the separation of the role of Chairman and that of Managing Director. The Chairman’s role is to manage the Board effectively, to provide leadership to the Board, and to interface with the Company’s Managing Director

5.2 Directors’ Circular Resolutions (DCR)

The Board has adopted a protocol around the use of DCRs noting that while there is value in the use in promoting efficiency in decision making it is good practice to use them sparingly and ensure that the particular use is appropriate in the circumstances. The protocol adopted is:

- The preferred approach is not to use DCRs;
- The Chairman’s approval is required for the use of any DCR;
- Any Director can call for a DCR to be referred to a meeting of the Board; and
- DCR’s will be numbered sequentially in any year.

5.3 Retention of Board Papers

The Board has adopted a protocol governing the management and control of Board papers to ensure that the record of Board deliberations and decisions is the Company’s original papers, and confirmed board minutes.

5.4 Remuneration

The Directors' remuneration is paid in the form of Directors' fees. Additional fees are paid to the Chairman of the Board and to the Chairs of Committees (other than where that is the Chairman of the Board) to reflect the additional responsibilities of these roles. The Board may determine that additional allowances be paid to a Director, as appropriate, to reflect additional services by that Director.

The total fees available to be paid to Directors are subject to shareholder approval. No retirement allowances are provided to Directors.

5.5 Nomination

The Remuneration and Nomination Committee recommends to the board candidates to be appointed to act as a Director. To be eligible for selection, candidates must demonstrate appropriate qualities and experience. All Directors must meet the certification requirements established by the NZX.

The nomination of new Directors to be appointed by way of casual vacancy is considered by all Directors and Directors will have the opportunity to meet with potential new Directors prior to their appointment. Directors are selected on a range of factors, including the perceived need of the Board at the time. These factors include the independence, qualifications and experience of candidates.

5.6 Induction

The Board seeks to ensure that new Directors are appropriately introduced to management and the business, that all Directors are acquainted with relevant industry knowledge and economics and that Directors receive a copy of the Charter, the Charters of all Committees, recent Board and Committee papers, recent Board minutes and relevant Company policies.

5.7 Continuous Education

It is expected that all Directors continuously educate themselves to ensure that they may appropriately and effectively perform their duties.

In addition, visits to specific Company operations when appropriate, and briefings from key executives and industry experts will be arranged.

5.8 Reimbursement of Directors' Expenses

The Company meets the cost of:

- All directors' travel directly associated with attendance at Board and Committee meetings, Board trips and Board business;
- Any costs of Directors attendance at functions where the Director is representing the Company; and
- Any costs directly associated with the Director's performance of his or her role.

All directors' expenses are approved by the Chairman. The Chairperson's expenses are approved by the Chair of the Audit Committee.

5.9 Conflicts of Interest

In consideration of the diverse business activities of the Company, Directors minimise the possibility of conflict of interest in their involvement with the Company by restricting their involvement in businesses that could lead to a conflict of interest. Where conflicts of interest do exist then the Directors excuse themselves from discussions in respect of those interests and in accordance with the listing rules do not exercise their right to vote in such circumstances.

5.10 Trading in Company Shares

All non-executive Directors are encouraged to hold company shares.

Directors are subject to limitations on their ability to deal in Company shares by the Opus Securities Trading Policy and the New Zealand Financial Markets Conduct Act 2013.

These limitations include the requirement that Directors may not deal in Company shares while in possession of inside information about the Company.

As a matter of policy, the Company also requires that prior to dealing in Company shares, consent must be obtained from the Company Secretary and may only occur outside the period specified in the Securities Trading Policy.

All changes in the shareholdings of Directors are required to be reported to the Board and NZX.

5.11 Director Indemnity and Insurance

All Directors have the benefit of an indemnity as provided for in the Constitution and as permitted by the Companies Act 1993.

Opus has Directors' and Officers' liability insurance. The costs of this insurance are met by Opus.

The existence of the indemnities and insurance is disclosed in Opus's interest register.

6 Accountability

6.1 Evaluation of Board performance

The Chairman meets regularly with Directors to discuss individual performance of the Directors. The Board reviews its performance as a whole on an annual basis.

6.2 Review

This Board Charter has been approved by the Board and is reviewed annually by the Board.

APPENDIX 1



POLICY STATEMENT

DIRECTORS' CODE OF ETHICS

1. Introduction

This is the Directors' Code of Ethics (Code) for the Company. The Code sets out the standards that each director will adhere to whilst conducting their duties.

This Code applies to all Directors of the Company, except to the extent that the law, including the Companies Act 1993 provides otherwise.

2. Directors' Code of Ethics

- 2.1 A director must act honestly, ethically, in good faith and in the best interests of the Company as a whole.
- 2.2 A director has a duty to perform the functions of office and exercise the powers attached to that office with a degree of care and diligence that a reasonable person would exercise if they were a director in the same circumstances.
- 2.3 A Director should consider matters before the Board having regard to:
- i. any possible material personal interest he or she may have in the subject matter; and*
 - ii. the amount of information appropriate to properly consider the subject matter; and*
 - iii. what is in the best interests of the Company.*
- 2.4 A Director's dominant purpose or object must be to serve the interests of the members of the Company as a whole, not the interests of any particular group of directors or stakeholders or the director's personal or commercial interests.
- 2.5 A Director must not make improper use of information acquired as a director to gain a personal advantage or to cause detriment to the Company.
- 2.6 A Director must not take improper advantage of the position of director to gain a personal advantage or to cause detriment to the Company.
- 2.7 A Director must not place himself or herself in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, on the one hand, and the interests of the Company or his or her duties to the Company, on the other hand. The action which a director will be required to take if he or she is faced with an actual or potential conflict of interest or duties in relation to a particular matter being considered by the Board will depend on the nature and circumstances of the conflict and may include any of the following:
- i. fully and frankly informing the Board about the circumstances giving rise to the conflict;*
 - ii. abstaining from voting on any motion relating to the matter and absenting himself or herself from all board deliberations relating to the matter; or*
 - iii. resigning from the Board.*

If a director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the director should consult with the chairman in the first instance.

- 2.8 A Director must bring an enquiring, open and independent mind to Board meetings, listen to the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he or she believes, to be in the best interests of the Company as a whole.
- 2.9 An opportunity must be provided for a director to put his or her views on issues before the Board or a committee on which he or she sits. While directors must treat each other with courtesy and observe the other rules in this Code, Directors should be able to engage in vigorous debate on matters of principle.
- 2.10 Confidential information (including Board or committee papers) received by a director in the course of the exercise of directorial duties remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been duly authorised by the Company, or is required by law or by the NZX Listing Rules.
- 2.11 A Director must not disclose the existence or content of Board discussions or committee meeting discussions outside appropriate and responsible circles within the Company, including only to those people with a legitimate interest in the subject of the disclosure, unless that disclosure has been authorised by the Company, or is required by law or by the NZX Listing Rules.
- 2.12 Generally, a Director must not make any public statement likely to prejudice the Company's business or likely to harm, defame or otherwise bring discredit upon or denigrate the Company, fellow Directors or staff.
- 2.13 A Director must, unless exempted by the Board, co-operate in corporate governance procedures prescribed by the Board including periodic appraisals of the performance of the Board conducted by the Nomination Committee.
- 2.14 A non-executive Director must devote such time as is necessary to carry out the duties of the non-executive director as determined by the Board from time to time.
- 2.15 A Director must, at all times, comply with the spirit, as well as the letter, of the law and of the principles of this Code and other Company policies in force from time to time.