



# **OPUS INTERNATIONAL CONSULTANTS LTD**

## **AUDIT COMMITTEE CHARTER**

**FEBRUARY 2013**

*Adopted at Opus Board Meeting 21 February 2013*



# **OPUS INTERNATIONAL CONSULTANTS LIMITED**

## **AUDIT COMMITTEE CHARTER**

### **1. Introduction**

The Audit Committee's (Committee) objective is to assist the Board of the Company to fulfil its responsibilities in relation to the Company's accounting, financial and reporting practices.

The Committee makes recommendations to the Board. The Board will consider, and if appropriate, act on those recommendations. The Committee has unrestricted access to records and executives of the Company, and to the internal and external auditors in order to fulfil its purpose and undertake its duties, and may engage external advisors as it considers appropriate.

The Company recognises that the Committee plays a key role in assisting the Board fulfil its responsibilities to oversee financial reporting, internal financial control structure and the internal and external audit functions.

The Committee is also intended as an effective mechanism for the auditor to communicate in an informal and confidential way with the members of the Committee about these issues as well as potentially troublesome issues at a relatively early stage and to broach sensitive issues in an uninhibited fashion.

### **2. Audit Committee**

#### **2.1 Composition**

The Committee will comprise at least three members. The Committee members:

- (a) must be non-executive directors;
- (b) must be appropriately financially literate and at least one member must have accounting or associated financial management expertise;
- (c) comprise a majority of independent directors; and
- (d) must be independent of management and free of any relationship or arrangement that may, in the opinion of the Board, constitute a conflict of interest.

The Board will review the membership of the Committee annually. The Board will appoint one of the Committee members as chair. The chair of the Committee must:

- (a) be an independent non-executive director; and
- (b) not be the chair of the Board.

The MD and CFO will attend committee meetings, and the chair of the Committee will invite the Company's auditor, both internal and external, and other employees and advisers to attend committee meetings when appropriate.

With the prior approval of the chair, any director may attend any committee meeting.

### **2.1.1 Removal, resignation and new appointments**

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. A new member of the Committee will be provided with a copy of this Charter and provided an induction programme to familiarise the new member with the Committee's activities.

### **2.1.2 Secretary**

The company secretary will be the secretary of the Committee.

## **2.2 Meetings**

### **2.2.1 Frequency**

The chair will convene at least three meetings of the Committee each year and any additional meeting that the chair considers necessary or appropriate to carry out the Committee's responsibilities. In addition, the chair must call a meeting of the Committee if required by any committee member, the Company's chief executive, the Board or the external auditor. At the first meeting for the year, the committee will prepare a plan and timetable of activities for the coming year.

### **2.2.2 Calling meeting and notice**

A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each member of the committee in the week prior to the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.

### **2.2.3 Advice**

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

### **2.2.4 Report to Board**

The chair of the Committee will report the findings and recommendations of the Committee to the Board at the next Board meeting after each Committee meeting.

### **2.2.5 Minutes**

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



## 2.2.6 Quorum and Voting

A quorum will comprise any two independent non-executive director members of the Committee. In the absence of the Committee chair, the members will elect one of their number as chair for that meeting.

In the event of a lack of consensus on any matter each member will have one vote, and the chair of the Committee will not have a second or casting vote.

## 3. Responsibilities

### 3.1 Role

The responsibilities of the Committee are as follows:

- liaison with the external auditors;
- review of the annual audit plan with the external auditors;
- review of audit findings and the annual financial statements;
- review of interim financial information;
- prior clearance of public releases of financial information to the media;
- oversight of compliance with statutory responsibilities relating to financial requirements;
- review of the frequency and significance of all transactions between the Company and related parties and assessment of their propriety;
- review of the appointment and performance of the external auditors and their fees;
- review of the independence of the external auditors and the appropriateness of any non-audit services they undertake for the Company;
- review of the internal audit plan, annual programme, and internal audit activities;
- ensuring the recommendations highlighted in internal and external audit reports are actioned by management;
- review of all instances of fraud discovered in the Company. Significant matters to be brought to the attention of the Board;
- oversight of identification of the improvements that can or should be made to the Company's internal controls, policies, systems and financial disclosures;
- oversight of effectiveness of the process to manage the company's continuous disclosure obligations, as prescribed by the New Zealand Stock exchange Listing Rules;
- supervision of special investigations when requested by the Board.

The Committee shall also examine any other matters referred to it by the Board, as well as any other matters of concern that come to its attention.

The committee will report to the Board any matters that it is concerned with.

#### **4. Review**

The Committee will review its performance and compliance with its terms of reference on an annual basis.

