

BOARD CHARTER

PURPOSE

This Charter sets out the authority, role and responsibilities, composition, and operation of the Board of Fletcher Building Limited (Fletcher Building).

The Board is responsible for the governance of the Fletcher Building Group and has developed principles relating to:

- the role of the Board and matters specifically reserved for Board decision-making;
- those authorities which may be delegated to committees of the Board;
- the authorities of the Chief Executive Officer; and
- its own performance, operations, procedures, and membership.

This Charter outlines those principles.

AUTHORITY

The shareholders have elected the Directors and, through the constitution, have authorised them to manage the business and affairs of the Fletcher Building Group and to exercise the powers conferred under the constitution.

ROLE AND RESPONSIBILITIES OF THE BOARD

The role of the Board is to:

- (a) act in the best interests of Fletcher Building as a whole;
- (b) define Fletcher Building's purpose and set its strategic objectives;
- (c) represent and serve the interests of shareholders by overseeing the implementation of Fletcher Building's values, strategic objectives, and policies;
- (d) provide leadership and challenge to management and hold management accountable; and
- (e) keep shareholders informed of Fletcher Building's performance and major developments which affect it.

In addition to the general matters listed above, the Board is responsible for:

- approving Fletcher Building's strategic direction, policies, and budgets;
- approving Fletcher Building's statement of values and code of conduct which underpin its culture;
- approving major investments and monitoring the return of those investments;
- monitoring Fletcher Building's financial performance and operations, including approval of the annual and half year financial statements and reports;
- appointing the Chair of the Board;
- appointing the Chief Executive Officer, monitoring the performance of the Chief Executive Officer and senior management;
- in consultation with the Chief Executive Officer, approving the appointment and replacement of senior executives;
- overseeing the remuneration, development and succession planning for the Chief Executive Officer and senior management, and monitoring the appropriateness of people management systems;

- satisfying itself that Fletcher Building's remuneration policies are aligned with its purpose, values, strategic objectives and risk management framework and systems;
- overseeing the identification of key financial and non-financial risks in Fletcher Building's operations, approving the risk management framework and systems, and monitoring the efficiency and effectiveness of those systems and settings within which the Board expects management to operate;
- overseeing Fletcher Building's commitment to sustainable development, the environment and the health and safety of employees, contractors, customers, and the community;
- monitoring the effectiveness of Fletcher Building's governance systems and practices;
- overseeing Fletcher Building's processes for continuous disclosure for investors and periodic communication with external stakeholders;
- satisfying itself that an appropriate framework exists for relevant information to be reported to the Board; and
- acting to protect and enhance the reputation of Fletcher Building.

The Board may from time to time establish other policies and practices to assist the Board to fulfil its functions and remain an effective supervisory and decision-making body.

ROLE AND RESPONSIBILITIES OF MANAGEMENT

The role of management is to manage the day to day operation of Fletcher Building. To do so, management is responsible for:

- implementing the strategic objectives and instilling and reinforcing its purpose, values, and code of conduct;
- operating within the values, plans, budgets, and risk systems approved by the Board; and
- providing the Board with timely, accurate and clear financial and non-financial information to enable the Board to perform its responsibilities. This includes Fletcher Building's compliance with legal and regulatory requirements and any conduct that is materially inconsistent with its values or code of conduct.

ROLE AND RESPONSIBILITIES OF THE CHAIR

The role of the Chair is to provide leadership to the Board, including encouraging a culture of openness and debate to foster a high performing and collegial team of Directors who operate effectively. To discharge this role, the Chair is responsible for:

- facilitating the effective contribution of all Directors;
- promoting constructive and respectful relationships and communications between the Board and management, through the Chief Executive Officer;
- managing the efficient organisation and conduct of the Board's function and meetings;
- setting the Board agendas and providing adequate time for discussion of all agenda items, including strategic issues; and
- exercising such specific and express powers and discretions as delegated to the Chair by the Board from time to time.

The Chair of the Board must have sufficient time commitment to discharge the role appropriately.

DELEGATIONS AND POWERS RESERVED FOR THE BOARD

The Board retains certain rights and powers conferred upon it by the constitution and by law which cannot be delegated.

In all other matters, the Board may delegate its powers as it considers appropriate. However, ultimate responsibility for strategy and controls rests with the Board.

Delegation to committees

The Board may from time to time establish committees to assist it in carrying out its responsibilities. Current standing committees established by the Board are:

- Audit and Risk Committee;
- People and Remuneration Committee;
- Safety, Health, Environment, and Sustainability Committee; and
- Nominations Committee.

Each of these committees has its own written charter setting out its authority, role and responsibilities, composition, and the manner in which the committee is to operate. All charters are available on Fletcher Building's website.

All committees will comprise only independent, non-executive Directors. The Chair of the Audit Committee cannot be the Chair of the Board.

The Board may also delegate additional functions to standing committees or ad hoc committees on an 'as needs' basis by resolution. The Board Chair and the relevant committee chair (with the assistance of the Company Secretary) will co-ordinate such discussions and reporting.

Powers reserved for the Board

Matters which are specifically reserved for the Board or its committees are set out below:

- appointment and removal of the Chair of the Board;
- appointment and removal of the Chief Executive Officer;
- appointment of Directors to fill a vacancy or as additional Directors;
- establishment of Board Committees, their membership, charters, and delegated authorities;
- approval of dividends and dividend policy;
- the issue of equity or equity-like instruments;
- approval of Fletcher Building's corporate governance policies;
- approval of Fletcher Building's annual budget;
- approval of expenditure in excess of the monetary authority levels delegated to management;
- calling of meetings of shareholders;
- expansion of Fletcher Building's activities into new geographic areas involving substantial sovereign risk or new, non-core and substantive businesses;
- approval of remuneration of non-executive Directors (subject to shareholder approved limits) and the Chief Executive Officer;
- assessment of Chief Executive Officer's and senior executives' performance;
- disclosure of certain information to the market, as set out in Fletcher Building's Disclosure

Policy;

- any changes to the authority delegated to the Chief Executive Officer by the Board; and
- any other specific matters nominated by the Board from time to time.

Delegation to the Chief Executive Officer

As permitted by Fletcher Building's constitution, the Board has delegated to the Chief Executive Officer all those powers and authorities required to manage and control the day to day operation of Fletcher Building, except those expressly reserved to the Board or one of its committees as described in the sections above 'Delegation to committees' and 'Powers reserved for the Board' of this Charter.

BOARD STRUCTURE AND OPERATIONS

The constitution governs the regulations and proceedings of the Board.

Board composition

The Board determines the size and composition of the Board, subject to any limit set out in Fletcher Building's constitution.

The Board should comprise Directors with a broad range of skills, diversity, expertise, and experience from a range of backgrounds.

The Chair of the Board should be an independent non-executive Director and must not be the Chief Executive Officer or a former Chief Executive Officer of Fletcher Building.

Independence

The independence of each non-executive Director will be reviewed by the Nominations Committee.

Disclosure of interest

A Director must disclose to the Board:

- any material personal interest that he or she or any of their associates may have in a matter that relates to the affairs of Fletcher Building; and
- any other interest or relationship that may affect the Director's independence.

Election and re-election

The constitution and applicable listing rules govern the election and re-election of Directors.

New Directors are provided with formal letters setting out the key terms and conditions of their appointment.

Induction and continuing professional education

New Directors are required to undertake induction training, tailored to their existing skills,

knowledge and experience on Fletcher Building's strategy, structure, operations, culture, key risks, and material sites.

Directors are required to undertake periodic continuing professional education to deal with new and emerging business and governance issues.

The Nominations Committee will oversee the continuing professional education program.

Meetings

The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. The Board shall meet as required but will usually schedule at least eight meetings each year.

The Board will also hold periodic workshops to consider matters of relevance and conduct visits of Fletcher Building's operations and meet with operational management during the year.

Non-executive Directors should meet periodically without the presence of management to address such matters as succession planning, key strategic issues, and Board operation and effectiveness.

Access to information and advice

Directors have access to all Fletcher Building employees, advisers, and records. In carrying out their duties and responsibilities, Directors have access to advice and counsel from the Chair, the Company Secretary, and the Group General Counsel, and are able to seek independent professional advice at Fletcher Building's expense, after consultation with the Chair.

Performance evaluation

The Board, through the Nominations Committee, will review the performance of the Directors seeking re-election under the constitution each year, the results of which will form the basis of the Board's recommendation to shareholders at the Annual General Meeting.

The Board, through the Nominations Committee, will conduct regular performance evaluations of the Board as a whole, committees, individual directors and the governance processes which support the Board. A comprehensive review will be carried out every two years.

Feedback on the performance evaluation of the Chair will be facilitated by an independent Director nominated by the Board from time to time.

APPROVAL AND REVIEW OF CHARTER

This Charter is available on Fletcher Building's website and is intended to be reviewed by the Board every two years.

Approved by the Board September 2022