



## GRAINS AUSTRALIA LIMITED

ABN 14 637 983 487

### BOARD CHARTER

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#### 1. Purpose

This Board Charter confirms the roles, responsibilities and governance procedures of the Board of Directors of Grains Australia Limited (the Company). It provides a clear statement of the obligations of the Board and the relationship of the Board to members, employees and stakeholders.

#### 2. Role of the Board

The Board is the guardian of the organisation's values. Its principal role is to direct the affairs of the Company in accordance with the Constitution and in fulfilment of its vision, purpose and mission.

In so doing, the Board must ensure that the Company complies with all of its contractual, statutory and legal obligations.

#### 3. Objectives

The objectives of the Board are to:

- establish, review and monitor the implementation and achievement of the vision, purpose and mission of the Company;
- develop policies and procedures governing the operations of the Company;
- determine the powers and functions of Board committees other than those prescribed in the Constitution; and
- evaluate the performance and progress of the Company in meeting its objectives, and do all things that may be necessary to be done in order to achieve the objectives of the Company.

#### 4. Responsibilities of the Board

The Board will:

- approve the overall strategic direction of the Company;
- appoint, review, develop and monitor the performance of (including removal of if necessary) the CEO;
- approve the Strategic Plan of the Company and the Annual Operating Plan;
- develop and monitor compliance with policies and procedures consistent with the Company's objectives;
- delegate appropriate powers to management to ensure the effective day-to-day management of the business;
- monitor the implementation of strategy and performance against the Annual Operating Plan and longer-term objectives;
- ensure the integrity of financial reporting;
- implement an effective risk management system;
- ensure a safe working environment;
- oversee communications with members and other stakeholders;
- ensure compliance with all relevant statutory and regulatory requirements.

The Board has specific responsibilities which include, but are not limited to, the following matters.

- **Governance**

- ⇒ Delegations of authority – approve and monitor the delegation of authority from the Board to the CEO and review annually;
- ⇒ Committees - establish committees as appropriate; annually review their work and composition.
- ⇒ Nomination of new directors - ensure that members are aware of the needs of the Board and its composition.
- ⇒ Continuing education for directors.
- ⇒ Succession Planning - review as appropriate for the CEO and Board.
- ⇒ Code of Conduct - approve and review regularly; ensure that there is a process for reporting breaches and taking appropriate action.

- **Strategic**

- ⇒ Strategic planning - approve the process; contribute to development of objectives and approve objectives; approve strategy and performance indicators; monitor implementation; regularly assess the effectiveness of strategy.
- ⇒ Major projects - approve and monitor significant capital expenditure, contracts, and acquisitions.
- ⇒ Stakeholder liaison - ensure regular and appropriate communication with members and key stakeholders.
- ⇒ Performance monitoring - monitor performance against strategic and annual operating plans.

- **Risk Management and Compliance**

- ⇒ Risk management – approve and monitor policy, its adequacy and effectiveness.
- ⇒ Reputation - be aware of reports, publicity or issues that may affect the relationship with members and other key stakeholders; monitor issues and take action where appropriate.
- ⇒ Legal compliance - ensure that all policies and procedures comply with relevant laws and regulations, both Commonwealth, State and local authorities. In particular, implement and monitor systems which ensure safe working conditions for all employees/contractors.
- ⇒ Operational compliance – monitor and ensure compliance with corporate policies.

- **Financial**

- ⇒ Financial performance - ensure that the Company uses its resources effectively and that the organisation is able to meet its financial obligations as and when they fall due.
- ⇒ Identify the external audit for approval by the members.
- ⇒ Financial reporting - approve the annual financial statements; approve the Annual Report to members.

- **Management and Staff**

- ⇒ Management performance and development - ensure that there is an appropriate process for recruitment of senior executives and all other staff; review the performance monitoring program for senior executives as conducted by the CEO; and ensure appropriate professional development for executives.
- ⇒ Remuneration of the CEO and senior executives - ensure that remuneration packages are structured with regard to competitive organisations and positions.

## **5. Board Composition and Management**

The Composition of the Board is set out in Clause 5 of the Constitution.

The Board will ensure that new directors undertake an induction program coordinated by the Company Secretary in consultation with the Chair.

## **6. Meetings**

Board meetings are held in accordance with Clause 8 of the Constitution. Specifically:

- The Board will meet regularly in accordance with a schedule agreed at the commencement of each financial year, but not less than 4 times in each financial year.
- Additional meetings may be convened from time to time in accordance with the Constitution to consider special or urgent business.
- Board meetings may be held from time to time at more than one venue using any technology that provides directors with a reasonable opportunity to participate in the meeting, or any director may attend a meeting by telephone or video conference if he or she is not available to attend in person.
- The Chief Executive Officer (CEO) will have a standing invitation to attend Board meetings.
- Meetings may commence with a short in camera session.

## **7. Conflict of Interest**

Directors must manage all conflicts or potential conflicts of interest in accordance with the Code of Conduct, subject also the requirements of the Constitution.

Where a director is aware of a current or potential conflict, he or she must advise the Chair at the start of each meeting.

On appointment, Directors will be required to declare any such interests and these will be entered into the Company's Register of Interests which is maintained by the Company Secretary. Any changes to these interests should be advised to the Company Secretary as soon as a Director becomes aware of a conflict.

## **8. Expenses**

Directors will be reimbursed for travel and associated expenses incurred in attending meetings of the Board or committees or in undertaking any other business for the Company that has been approved by the Board. An additional allowance may be paid to cover telephone and other incidental expenses incurred by directors in undertaking company business and this should be determined by the Board from time to time.

## **9. Board Papers**

The Company Secretary will be responsible for circulating Board papers prior to each meeting. If a Board paper relates to a matter in which there is a known conflict of interest with respect to a particular Director, then the relevant Board paper will be removed from the papers sent to that Director by the Company Secretary on the instructions of the Chair. If the Chair has a conflict of interest then the Board will appoint another Director to make the decision with respect to sending the Board paper to the Chair.

Directors may retain their copies of Board papers in a secure location.

## **10. Access to Information**

The Board and committees are entitled to request and receive any information that they consider necessary to support informed decisions.

Requests for information should be made through the Chair of the Board or Committee to the CEO or Company Secretary.

Directors may request the Chair of the Board or Committee to seek external advice on complex or technical matters that are before the Board or Committee.

### **11. Related Party Transactions**

Covered within the Code of Conduct.

### **12. The Role of the Chair**

The Chair is appointed pursuant to clause 8.4 of the Constitution. The Chair should aid and assist the Board in ensuring effective corporate governance in respect of the affairs of the Board and the Company.

The Chair should:

- Lead the Board, ensuring the highest standards of integrity and probity in achieving the organisation's vision and mission.
- Maintain a relationship of trust with and between management and non-executive directors.
- Specific duties of the Chair include:
  - ⇒ Chair meetings of the Board to achieve effective outcomes;
  - ⇒ Be the principal contact between the Board and the CEO;
  - ⇒ Encourage constructive discussion and debate by directors in Board and Committee meetings;
  - ⇒ Enable all views to be respected and considered in making decisions; and
  - ⇒ Provide guidance to Directors regarding what is expected of them in their role.
  - ⇒ Develop the agenda for each meeting and the annual Board calendar and agenda in consultation with the CEO.
  - ⇒ Ensure that the Board reaches clear and unambiguous decisions.
  - ⇒ Ensure the provision of accurate, timely and relevant information to the Board to support its decision making and monitoring responsibilities.
  - ⇒ Counsel CEO as and when required including on matters that should be referred to the Board.
  - ⇒ Assessing the performance of the CEO at least annually against predetermined criteria. Ideally this process should include at least one other director.
  - ⇒ Engagement with members, management and staff and other stakeholders as appropriate.
  - ⇒ Addressing members and other stakeholders at the AGM and in public forums as appropriate.

### **13. The Role of the Company Secretary**

- The Company Secretary is appointed pursuant to clause 12 of the Constitution. The Board may appoint or remove a Secretary and vary the term of office at any time.
- The Company Secretary provides administrative support to the Board in the organisation and conduct of its meetings; compliance with its legislative, regulatory and constitutional requirements, and in the organisation and conduct of meetings of the members.
- Responsibilities of the Company secretary include:
  - ⇒ **Meetings**
    - Organise, coordinate and attend all meetings of the Board and members.
    - Notify directors or members of the time, date and place of the meeting.
    - Ensure that the agenda is developed in sufficient time for review and approval by the Chair.

- Ensure that Board papers are prepared and signed off and circulated to directors or members at least one week prior to the meeting or such other time as is required by the Corporations Act 2001 (as amended) or the Constitution.
- Draft minutes of the Board meetings for review by Chair.
- Circulate draft minutes to all directors within 10 days of the meeting or to members as required by the Constitution.
- Ensure that correct procedures for all meetings are followed as set out in the Constitution and the Corporations Act 2001 (as amended).

⇒ **Administrative**

- Maintain the register of members.
- Maintain details of directors and officers of the company.
- Ensure lodgement of all documents and notifications required by ASIC, the ATO or any other regulatory authority.
- Maintain the Contracts Register.
- Maintain minutes of Board meetings.

⇒ **Committees**

- Ensure the secure retention of all other documents and records required by law.
- Ensure adherence to the Constitution.
- Ensure that Directors have an up-to-date copy of the Constitution, the Board Charter and all other governance policy and documentation.

⇒ **Reporting**

- Ensure that relevant statutory reporting requirements are met, including:
  - Requirements in respect of the maintenance of the registered office;
  - Requirements in respect of the register of members;
  - ASIC requirements regarding principal place of business, director and member details;
- Reporting at each Board meeting documents executed under a power of attorney, documents executed in accordance with section 127 of the Corporations Act and documents executed under the Company's seal.

⇒ **General**

- Carry out instructions of the Board as required.
- Work with the Chair to develop and deliver best practice governance and appropriate protocols for the Board.

## 14. Committees

The Board will establish committees as necessary and as outlined in Clause 9 of the Constitution to assist with complex or specialised matters.

- Committees will act in accordance with the authorities delegated to them by the Board.
- Committees will make recommendations to the Board on matters requiring decision.
- The Board retains the collective responsibility for decisions.
- Membership of committees will be determined by the Board, having regard to the committee's area of responsibility and the skills available within the Board.
- The Board may appoint non-directors and non-members to committees, where special expertise is required.
- Each committee will have a formal, written charter approved by the Board.
- Minutes of committee meetings will be circulated to the Board in accordance with the requirements of each charter.

- The performance and composition of all Board committees will be reviewed and evaluated each year, against the objectives and responsibilities described in the respective committee charter.

**15. Performance Evaluation**

The Board will undertake an annual review of its own performance against the established objectives. This process will be conducted by the Chair, or externally from time to time.

**16. Skills Matrix**

The Board will establish a Skills Matrix process to identify current skills, knowledge, experience and capabilities. This enables any gaps of skills or competencies to be addressed in future director appointments.

The Skills Matrix will be provided to the Director Selection Committee prior to their meetings for director appointment or reappointments.

**17. Review of the Board Charter**

The Board will review this Charter and the Charters of its committees annually to ensure that they remain consistent with the Board's objectives, current law and contemporary best practice. The Board will recommend any necessary or desirable amendments to the Members for their approval.