

## BOARD CHARTER

### 1. PURPOSE

To set out the roles of the Board, the Chair, the Managing Director, the Directors, the Board Committees and the Corporate Secretary in order to facilitate Board and Management accountability for GRDC's performance and strategic direction.

### 2. CHARTER

#### Role of the Board

2.1 The Board's role is to demonstrate leadership, set strategic direction and objectives, require strong corporate governance practices and high standards of behaviour and ensure rigour in the challenge to and oversight of Management's implementation of strategic objectives and instilling of values. Key responsibilities of the Board include:

##### *Strategy*

- a) adopting a strategic plan in accordance with section 19 of the *Primary Industries Research and Development Act 1989* (Cth) (PIRD Act);

##### *Organisational Values*

- b) promote an organisational culture of acting lawfully, ethically and responsibly and continuous improvement in performance;
- c) ensuring GRDC complies with applicable statutes and regulations;
- d) promote transparency and accountability in strong corporate governance practices as evidenced by holding Management to account;
- e) monitor WH&S issues to ensure appropriate resources and processes are in place to provide a workplace that enables the health, safety and welfare of its employees, visitors and contractors;
- f) selecting and appointing the Managing Director, monitoring senior management, establishing a remuneration and performance appraisal policy and reviewing performance of the Managing Director;

##### *Financial accountability and risk management*

- g) promoting the efficient, effective, economical and ethical use and management of GRDC's resources;
- h) ensuring the financial sustainability of GRDC;
- i) adopting an annual budget;
- j) approving the budget estimates covering GRDC's activities for all applicable reporting required under section 36 of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act);
- k) approving the annual financial statements for GRDC after the end of each applicable reporting period required under section 42 of the PGPA Act;
- l) determining that GRDC's reporting systems are based on sound operational and financial controls together with appropriate monitoring of compliance activities;
- m) determining that GRDC's accounts conform to Australian accounting standards and are true and fair;
- n) determining that effective arrangements are in place for auditing GRDC's operations and financial affairs including the scope of the external audit and internal audit;
- o) set the risk appetite within which Management is expected to operate;

- p) ensuring a sound risk management framework is in place within GRDC that is regularly monitored to ensure it addresses current and emerging risks and is effective;
- q) ensuring appropriate systems of internal controls are established and maintained within GRDC to ensure their quality, independence and reliability, including by implementing measures directed at ensuring GRDC staff comply with finance laws applicable to GRDC, including the PGPA Act;
- r) establishing procedures to protect GRDC's financial position and its ability to meet its debts and other obligations;
- s) ensuring accounts and records to be kept that properly record and explain GRDC's transactions and financial position;

#### *Planning and reporting*

- t) ensuring the proper performance of GRDC's functions in accordance with the PIRD Act and the PGPA Act;
- u) adopting an annual operational plan for GRDC in accordance with section 25 of the PIRD Act;
- v) monitoring results and assessing the performance of GRDC on a regular basis;
- w) approving the annual report required under section 28 of the PIRD Act and section 46 of the PGPA Act, including the annual performance statement required under section 39 of the PGPA Act;
- x) ensuring that proper records are maintained by GRDC;
- y) establishing a Board calendar that enables it to effectively carry out its responsibilities; and

#### *Stakeholder Management*

- z) ensuring GRDC's stakeholders are kept informed of GRDC's investments and activities, including:
  - i) the Minister and the Finance Minister as required under section 19 PGPA; and
  - ii) the Minister, the industry representative organisations and others as required under the PIRD Act.

### **Role of the Chair**

#### **2.2 The Chair's role is to:**

- a) lead and oversee the Board in the effective discharge of its role;
- b) facilitate and promote respect and constructive communication between the Board, its Committees and Management to support an effective decision-making process;
- c) ensure the efficient organisation and conduct of Board meetings, including:
  - i) setting the agenda in consultation with the Managing Director, taking into account the annual Board agenda items in Appendix A;
  - ii) ensuring that Directors receive timely, relevant information to enable them to be effective Board members;
  - iii) ensuring that all Board decisions are understood by Directors and effectively recorded; and
  - iv) facilitating the effective contribution of all Directors.

### **Role of Directors**

2.3 Each Director is expected to:

- a) comply with the Directors' Code of Conduct in Appendix B and all other GRDC Policies and Procedures relevant to Directors;
- b) fully read and consider Board papers prior to Board meetings;
- c) attend and actively participate in Board meetings including seeking clarification or further information if required to understand an issue or make an informed decision;
- d) raise any concerns about the management of GRDC or a proposed action by GRDC for consideration by the Board;
- e) ensure that the Board Minutes are an accurate reflection of the relevant Board meeting; and
- f) abide by Board decisions and maintain the confidentiality of discussions and information shared at Board meetings.

### **Role of the Managing Director**

2.4 The Managing Director is responsible for the effective and efficient day to day operations of GRDC and the implementation of Board decisions.

### **Role of the Corporate Secretary**

2.5 The Corporate Secretary reports to the Chair and provides an independent secretariat service for the Board and advice on governance matters. The Corporate Secretary is also responsible for monitoring that Board and Committee policies and procedures are followed.

2.6 The Corporate Secretary is not a member of the Board.

### **Role of Board Committees**

2.7 Under section 89 of the PIRD Act, GRDC may establish Committees to assist it in the performance of its functions and exercise of its powers. The Board appoints members to a Committee.

2.8 Each Board Committee:

- a) must act in accordance with its charter, and all applicable laws under the PIRD Act and PGPA Act;
- b) may approach the full Board to request independent external advice at the cost of GRDC; and
- c) makes recommendations to the Board and has no power to make decisions unless the Board has delegated power to it under section 90 of the PIRD Act.

2.9 The Board receives formal reports from Board Committees and decisions on them are recorded in the minutes of the following Board meeting. Minutes of Board Committee meetings are also available to the Board.

2.10 The Board must establish an Audit and Risk Committee (A&R Committee) the terms of reference for which are set out in the A&R Committee.

2.11 The Board may establish:

- a) a Remuneration People and Performance Committee (RPP Committee), the terms of reference for which are in Appendix C.

### **Director's Induction, Support and Development**

- 2.12 Management will provide an induction program for new Directors to assist them in fulfilling their duties and responsibilities.
- 2.13 Each Director is entitled to a Deed of Insurance and Access which provides that GRDC will purchase insurance cover for the benefit of the Director and provide the Director with access to GRDC's records on specified terms and conditions.
- 2.14 To assist in the performance of their duties each Director has:
- a) access to independent professional advice as is considered necessary and approved by the Chair; and
  - b) direct access to members of GRDC Management in accordance with Board protocols.
- 2.15 Directors have a personal obligation to acquire and maintain the skills needed to perform their role. The Board will support ongoing development of individual Directors as appropriate to ensure the Board has the collective skills and knowledge to perform its role.
- 2.16 Management will provide briefing sessions for Directors from time to time regarding GRDC's business, to assist Directors in gaining a broader understanding and knowledge of GRDC and its operating environment.

### **Board Performance**

- 2.17 The Board will:
- a) set itself performance objectives at the start of each year;
  - b) review performance against its objectives at least once each year and address any issues that emerge from its review;
  - c) review this Board Charter at least once during the term of a Board, and more often if required by the Chair or any Director; and
  - d) commission an external review of Board and Director performance at least once during the term of a Board, and more often if required by the Chair or any Director and address any issues that emerge from that external review.

**APPENDIX A**

**INDICATIVE TIMING - ANNUAL BOARD AGENDA ITEMS**

	As required	Feb	April	June	August	Sept	Dec
<b>Strategy</b>							
Performance against Corporate Strategy – Corporate KPI mid-year review							
Performance against Strategic RD&E Plan							
Financial Performance Forecast							
IP assets report							
Annual Operational Plan							
GRDC Nominee Directors – annual strategic meetings							
Company where GRDC is a member/shareholder - presentation and performance report							
<b>Governance and Compliance</b>							
Draft Operating Budget & Corporate KPIs							
Final Operating Budget							
Portfolio Budget Statement							
Approve Financial Statements – August							
Internal audit report to A&R Committee in August							

	As required	Feb	April	June	August	Sept	Dec
External audit report to A&R Committee in August or September							
Risk Register							
Fraud Control Plan (every two years)							
Annual Report							
A&R Committee report							
Appointment to Board Committees							
<b>Stakeholders</b>							
Panel appointments							
Panel Chair presentations							
Representative Organisations consultative meeting							
Department of Agriculture, Fisheries and Forestry (Canberra meetings)							
<b>Organisational culture &amp; change</b>							
Review and approval of policies due for renewal							
RPP Committee reports							
Work Health & Safety							
Staff, grower & researcher surveys							
Review Board Charter							
Review Board Performance							

	As required	Feb	April	June	August	Sept	Dec
<b>Standing Items</b>							
Minutes							
Action Sheet							
Correspondence							
Declarations of Interest							
Chair's Report							
Directors' Reports							
Managing Director's Report							
National Panel Outcomes							
Issues Register							
Company Report							
Financial Report							
Future Meeting Dates							

## APPENDIX B - DIRECTORS' CODE OF CONDUCT

Each Director:

- a) must act honestly, in good faith and for a proper purpose in the best interests of GRDC as a whole;
  - b) has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to his/her office;
  - c) must lead by example in adopting and promoting work practices that reflect the standards set out in GRDC's work, health and safety policy;
  - d) recognises that their primary responsibility is to GRDC but may, where appropriate, have regard for the interests of its stakeholders;
  - e) must not make improper use of information acquired as a Director to gain a personal advantage or for any other person, or otherwise cause detriment to GRDC, the Commonwealth or any other person;
  - f) must not take improper advantage of the position of Director to gain a personal advantage or for any other person, or otherwise cause detriment to GRDC, the Commonwealth or any other person;
  - g) must disclose details of any material personal interests and must not allow material personal interests, or the interests of any associated person, to conflict with the interests of GRDC;
  - h) has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board;
  - i) who receives confidential information in the course of the exercise of directorial duties, acknowledges that confidential information remains the property of the organisation from which it was obtained and that it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that organisation, or the person from whom the information was provided, or is required by law;
  - j) should not engage in conduct likely to bring discredit upon GRDC;
  - k) must disclose potential conflicts of interest to the Chair and the Corporate Secretary as soon as possible after becoming aware of the conflict and to other members of the Board at the beginning of each Board meeting;
  - l) must abstain from participating in any discussion or voting on matters in which they have a material personal interest unless otherwise permitted by the Minister or members of the Board who do not have a material personal interest in the matter\*;
- \*Note: The Corporate Secretary is not to distribute papers, Minutes or other information to a Director in relation to a matter for which the Director has a material personal interest, or other conflict of interest that the Board has determined results in the Director being excluded from that matter.*
- m) must be aware of, and comply with, the statutory and other legal obligations imposed on GRDC and its officials, including under the PGPA Act and PIRD Act as well as with any:
    - i) finance laws applicable to GRDC, including the PGPA Act (and any Rules or instruments issued under that Act);
    - ii) Ministerial directions notified to GRDC under section of the 143 PIRD Act; and
    - iii) any 'government policy orders' issued by the Finance Minister notified to GRDC under section 22 of the PGPA Act.



## **APPENDIX C – BOARD COMMITTEE TERMS OF REFERENCE**

### **REMUNERATION, PEOPLE AND PERFORMANCE COMMITTEE**

#### **1. Purpose**

These terms of reference govern the operations of the Remuneration, People and Performance Committee (the RPP Committee).

#### **2. Role**

The role of the RPP Committee is to review and make recommendations to the Board on matters relating to:

- a) the recruitment, remuneration, development, performance and retention policies of GRDC including strategic workforce planning and organisational development;
- b) a performance culture;
- c) the selection, remuneration and performance of the Managing Director;
- d) the development and performance of the Board; and
- e) the appointment of nominee directors to external boards.

#### **3. Responsibilities**

The RPP Committee is established as an advisory body to the Board and does not have delegated authority to make decisions. The RPP Committee has the responsibility to:

- a) meet at least twice a year and otherwise as required to perform its functions; and
- b) report on its deliberations to the next Board meeting.

#### **4. Specific Functions**

The areas on which the RPP Committee will provide advice to the Board include, but are not necessarily limited to, the following:

- a) the enterprise agreement and any remuneration, development, performance appraisal and people policies to ensure that they are fit for purpose, performance-oriented, and enable GRDC to attract, develop, retain and motivate high performing staff;
- b) oversight and ongoing development of a performance culture;
- c) monitoring the remuneration under the senior employee framework which is not under the enterprise agreement to ensure it is fair, aligned with market trends and that no inappropriate bias (e.g. gender) exists;
- d) frameworks and/or guidelines for senior executive personal development, succession planning, talent attraction and talent management;
- e) the remuneration of the Managing Director within the terms of the employment contract, on an annual basis;
- f) the Managing Director's key performance indicators and performance against those key performance indicators;
- g) monitoring the Managing Director's performance appraisals and remuneration reviews of direct reports;
- h) development needs of the Board; and

- i) performance of the Board including external review.

**5. Membership**

- a) The RPP Committee members are appointed by the Board for a term of one year or as determined by the Board.
- b) The RPP Committee will comprise the Board Chair, the Deputy Chair and up to two other Directors.
- c) The RPP Committee Chair is appointed by the Board from the RPP Committee members.
- d) Members of GRDC Management will attend meetings when requested by the RPP Committee Chair to participate in agenda items. Directors who are not members of the RPP Committee may attend meetings as observers.

**6. Administrative arrangements**

- a) Secretariat for the RPP Committee will be managed by the Corporate Secretary.
- b) Meetings can be held either in person, by video conference or by telephone.
- c) The Board or a member of the RPP Committee may call a meeting at any time.
- d) The RPP Committee will develop a forward meeting schedule that includes the dates, location and proposed agenda items for each meeting for the forthcoming year.
- e) The proceedings of all meetings will be minuted.
- f) A copy of the confirmed minutes of RPP Committee meetings will be available to Board members.
- g) A quorum for any meeting will be two RPP Committee members.

**7. Review of RPP Committee Performance**

The RPP Committee shall evaluate its own performance at least annually to determine whether it is functioning effectively by reference to these Terms of Reference. This may include input from Board members, RPP Committee members, Management and any other relevant stakeholders.

The RPP Committee shall review the terms of reference annually and obtain the approval of the Board for any revisions.

POLICY INFORMATION	
<b>Policy Category</b>	Governance
<b>Accountable Officer</b>	GRDC Board
<b>Approved Date</b>	12 June 2024
<b>Review Date</b>	As required or before June 2025
<b>Contact Area</b>	Corporate Secretary

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