

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;
 - 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, the terms of reference for which are in Appendix C.

2.11 The Board may establish:

- a) a Remuneration People and Performance Committee, the terms of reference for which are also 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	July	Sept	Dec
Strategy							
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							
Governance and Compliance							
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	July	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							
Stakeholders							
Panel appointments							
Panel Chair presentations							
Representative Organisations consultative meeting							
Department of Agriculture, Fisheries and Forestry (Canberra meetings)							
Organisational culture & change							
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	July	Sept	Dec
Standing Items							
Minutes							
Action Sheet							
Correspondence							
Declarations of Interest							
Chair's Report							
Directors' Reports							
Managing Director 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

AUDIT AND RISK COMMITTEE

1. Purpose

Section 45 of the PGPA Act requires the Board to establish an audit committee. Section 17 of the Public Governance, Performance and Accountability Rule 2014 (Cth) (PGPA Rule) set out the minimum requirements relating to the audit committee. The Board has established an Audit and Risk Committee (the Committee) in accordance with these requirements. These terms of reference govern the operations of the Committee.

2. Role

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

- a) External financial reporting and controls;
- b) Performance reporting;
- c) Risk management framework;
- d) System of internal controls;
- e) Internal audit;
- f) External audit;
- g) Statutory reporting; and
- h) Managed fund investments.

3. Responsibilities

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

- a) meet at least three times per 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 Committee will provide advice and assurance to the Board include, but are not necessarily limited to, the following:

a) External financial reporting and controls

The Committee will review the appropriateness of GRDC's:

- i) annual financial statements and related matters;
- ii) internal processes for managing budget estimates;
- iii) financial control environment (including record keeping); and
- iv) financial planning and forward estimates.

b) External performance reporting

The Committee will review the appropriateness of GRDC's:

- i) development of performance measures to support the strategic plan;
- ii) Management framework for measuring and assessing performance against the strategic plan;
- iii) annual performance statement; and

- iv) systems and procedures for assessing and reporting the achievement of GRDC's performance.

c) Risk management

The Committee will review the appropriateness of GRDC's:

- i) enterprise risk management framework for effective identification and management of the entity's risks;
- ii) risk appetite;
- iii) adequacy of insurance arrangements;
- iv) GRDC's fraud control arrangements including whether GRDC has appropriate processes and systems in place to prevent, detect, capture, report and effectively respond to fraud risks and incidents; and
- v) establishment, implementation of business continuity planning arrangements.

d) Internal controls

The Committee will review the appropriateness of GRDC's:

- i) approach to maintaining an effective internal control framework, including controls in relation to functions performed by external parties such as contractors and consultants;
- ii) management policies and procedures, the management and exercise of delegations and authorisations and that these are periodically reviewed and updated;
- iii) policies and associated procedures for an effective internal security system, including ICT security;
- iv) compliance by officials with relevant laws and policies and the mechanisms for the Board to be informed of any significant issues within the entity;
- v) internal audit resources, or budget, to carry out its responsibilities, including completion of the approved internal audit work plan; and
- vi) internal audit reports and provide advice to the Board on significant issues identified in audit reports and recommend action on significant issues raised, including identification and dissemination of good practice.

e) GRDC compliance with statutory obligations

The Committee will:

- i) review the effectiveness of management systems for monitoring GRDC's compliance with laws, regulations and associated government policies; and
- ii) determine whether GRDC Management has appropriately considered legal and compliance risks as part of the risk management framework and planning.

f) Communications with stakeholders

The Committee will:

- i) review the Management and Directors representation letters to the ANAO and the Statement of Directors, Managing Director and Chief Financial Officer (included in the financial statements) to ensure that the information provided is complete and appropriate; and
- ii) discuss the scope and results of the annual external audit and any other matters required to be communicated in camera with external auditors; and
- iii) discuss the overall scope of the external audit with Management, including identified risk areas and any additional proposed control procedures; and

- iv) monitor Management's response and implementation of audit recommendations; and
- v) review with the external auditor any audit problems or difficulties and Management's response; and
- vi) meet separately periodically with Management, the internal auditors and the external auditors to discuss issues and concerns that warrant attention.

5. Membership

- a) The Committee members are appointed by the Board for a term of one year or as determined by the Board.
- b) The Committee will comprise at least three (3) and not more than five (5) members, all of whom shall be non-executive Directors of the Board.
- c) The Committee Chair is appointed by the Board from the Committee members.
- d) The Committee Chair must have leadership experience and a strong finance, accounting and/or business background.
- e) Each Committee member must have appropriate qualifications, knowledge, skills or experience to assist the Committee to perform its functions.
- f) Committee members must not have any relationship with GRDC that may interfere with the exercise of independent judgment.
- g) Committee members must develop and maintain a good understanding of GRDC's functions, objectives, key risks and operating context.
- h) The following persons are not eligible to be Committee members:
 - i) The Board Chair;
 - ii) The Managing Director; or
 - iii) The Chief Financial Officer.
- i) The officeholders referred to above may attend Committee meetings as observers. Other members of GRDC Management will attend meetings when requested by the Committee Chair to participate in agenda items. Directors who are not members of the Committee may also attend meetings as observers.

6. Administrative arrangements

- a) Secretariat for the Committee will be managed by the Legal and Governance team and overseen 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 Committee may call a meeting at any time.
- d) The 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 Committee meetings will be available to Board members.
- g) A quorum for any meeting will be the greater of two Committee members or the majority of the Committee.

7. Review of Committee Performance

The 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, Committee members, Management, internal and external auditors and any other relevant stakeholders.

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

REMUNERATION, PEOPLE AND PERFORMANCE COMMITTEE

1. Purpose

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

2. Role

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

6. Administrative arrangements

- a) Secretariat for the 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 Committee may call a meeting at any time.
- d) The 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 Committee meetings will be available to Board members.
- g) A quorum for any meeting will be two Committee members.

7. Review of Committee Performance

The 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, Committee members, Management and any other relevant stakeholders.

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

POLICY INFORMATION	
Policy Category	Governance
Accountable Officer	GRDC Board
Approved Date	6 December 2022
Review Date	December 2023
Contact Area	Corporate Secretary

DISCLAIMER: This document is for internal use only and contains confidential and proprietary information. Once printed, this document becomes an uncontrolled copy and is current as at the date of printing. Version control and quality control cannot be guaranteed once downloaded from the GRDC Intranet. For the most up to date version, please refer to the GRDC Intranet.