

POLICY OWNER..... Company Secretary
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Meat & Livestock Australia Limited Board Charter

1. Overview

- 1.1. The purpose of this Charter is to set out the roles, responsibilities and operations of the Board of Meat & Livestock Australia Limited (MLA), and to provide clarity in the overall governance of MLA. The conduct of the Board is also governed by the Constitution – the Memorandum and Articles of Association. To the extent relevant to MLA, its objects and size the Board has adopted policies and practices based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).
- 1.2. The Board will carry out the responsibilities set out in the Charter honestly, fairly and diligently, in accordance with the law, the ASX Principles, and Code of Business Conduct & Ethics; and for the benefit of members, levy payers as well as employees and stakeholders.

2. The Role and Responsibilities of the Board

- 2.1. The Board works with its key stakeholders to build sustainable value for MLA's members and the red meat industry, and to achieve MLA's mission to "deliver value to levy payers by investing in initiatives that contribute to producer profitability, sustainability and global competitiveness".
- 2.2. The Board's role is to:
 - 2.2.1. Provide overall strategic guidance for MLA and effective oversight of the management and performance of MLA;
 - 2.2.2. Monitor MLA's compliance with its Constitution, from which the Board derives its authority to act, and with all legal and regulatory requirements;
 - 2.2.3. Ensure that the Company maintains relationships with Government and the Peak Councils in accordance with any deeds, memoranda of understanding or other agreements entered into from time to time that may govern or establish such relationships;
 - 2.2.4. Protect the interests of MLA's members and the assets and reputation of MLA; and
 - 2.2.5. Build trust in MLA through consistent behaviour, transparency, accountability and commitment to MLA's *Code of Business Conduct and Ethics*.
- 2.3. To achieve this role, the Board's key responsibilities are the following:
 - 2.3.1. Oversight of management:
 - a) Appointing and removing, if appropriate, the Managing Director;
 - b) Appointing and removing, if appropriate, the Company Secretary;
 - c) Setting the Managing Director's KPIs and objectives, and assessing performance against these;
 - d) Monitoring the performance of the Leadership Team against agreed criteria;
 - e) Approving the termination and appointment of direct reports to the Managing Director;
 - f) Approving succession plans for the Leadership Team; and
 - g) Providing advice and counsel to management.
 - h) Have unrestricted access to management, employees and information deemed relevant to the Board's responsibilities under this Charter, through the Managing Director, Chief Operating Officer or Company Secretary, as appropriate.

- 2.3.2. Strategy:
 - a) Setting the overall strategic direction for the Company as the industry service provider including the vision, mission and value statements;
 - b) Providing input into the development of MLA's strategy by management;
 - c) Approving MLA's strategic plan; and
 - d) Monitoring implementation of the strategy by management to determine the continuing suitability and resourcing of strategies.
- 2.3.3. Oversight of financial, operational and capital management:
 - a) Approving annual investment plans, operating and capital expenditure budgets, and management's programs and policies;
 - b) Overseeing financial and operating performance on an ongoing basis;
 - c) Approving significant capital expenditure and commitments in excess of authorities delegated to management;
 - d) Monitoring progress of major capital expenditure;
 - e) Approving MLA's annual financial statements; and
 - f) Overseeing MLA's accounting and financial management systems.
- 2.3.4. Delegation of authority:
 - a) Approving the Board's delegations of authority to the Managing Director and management, and overseeing the Managing Director's delegations to management; and
 - b) Establishing Committees as considered appropriate by the Board, and delegating responsibility to them to consider certain issues in further detail, and then, report back to and advise the Board.
- 2.3.5. Remuneration:
 - a) Approving remuneration policies and procedures;
 - b) Reviewing and approving remuneration for the Managing Director and Leadership Team members; and
 - c) Reviewing and approving Directors' fees, subject to the Board maximum limit approved by members.
- 2.3.6. Corporate governance:
 - a) Ensuring that MLA has appropriate corporate governance structures in place and operates in accordance with them;
 - b) Establishing a culture of good governance, supported by a clear set of governance roles and responsibilities;
 - c) Approving Charters of Board committees; and
 - d) Approving and maintaining MLA's *Code of Business Conduct and Ethics* to guide its Directors, employees, contractors and members in the practices necessary to maintain confidence in MLA's integrity.
- 2.3.7. Compliance and risk management:
 - a) Monitoring compliance with relevant legal, tax and regulatory obligations;
 - b) Monitoring the identification of business risks, reviewing and ratifying systems of risk management, internal compliance and control;
 - c) Stewarding MLA's compliance with all Workplace Health and Safety (WH&S) laws and resulting issues, and reviewing appropriate WH&S reports and information;
 - d) Appointing and removing, when appropriate, the external auditors and overseeing the auditor's performance and ongoing independence; and
 - e) Reporting to members.
- 2.3.8. Stakeholder relations:
 - a) Overseeing the effectiveness of communication with key stakeholders; and
 - b) Approving external reporting of significant issues of strategy or policy.

3. Board Composition

- 3.1. The Board's size and composition is determined in accordance with MLA's Constitution, which specifies that the Board is to be skills-based with an appropriate mix of qualifications and experience.
- 3.2. All new Directors will be provided with a letter of engagement that contains an overview of their role and responsibilities.
- 3.3. Each Director must comply with:

- 3.3.1. MLA's Code of Business Conduct and Ethics; and
- 3.3.2. The terms of the Director's appointment.

4. Role of the Chairperson

- 4.1. The Board will elect a Director to be the Chairperson in accordance with the Constitution.
- 4.2. The Chairperson must be an independent non-executive Director.
- 4.3. The responsibilities of the Chairperson include:
 - 4.3.1. Ensuring that the Board fulfils its obligations under this Charter and as required under relevant legislation;
 - 4.3.2. Providing leadership to the Board in reviewing and discussing board matters;
 - 4.3.3. Chairing board meetings and MLA's member meetings;
 - 4.3.4. Managing the efficient organisation and conduct of the Board's function by:
 - a) Working with the Company Secretary and Managing Director to prepare board meeting agendas;
 - b) Ensuring that Board discussions are conducted in an open and professional manner;
 - c) Facilitating effective contribution by all Directors;
 - d) Ensuring that concerns raised by individual Directors are clearly identified, given due consideration by the Board and, if accepted, acted upon; and
 - e) Promoting constructive relations amongst the Directors and between the Board and management;
 - 4.3.5. Being the primary point of contact between the Board and the Managing Director;
 - 4.3.6. Providing regular feedback and guidance to the Managing Director; and
 - 4.3.7. Briefing new Directors on their roles and responsibilities.

5. Role of the Managing Director

- 5.1. The Managing Director will manage MLA in accordance with the strategies, budgets, programs, policies and plans approved by the Board.
- 5.2. The Board will delegate to the Managing Director the power and authority to manage MLA within the levels of authority specified by the Board having regard to the matters reserved by the Board, and the potential effect on the reputation of MLA. The Managing Director may delegate his or her powers within the levels of authority specified by the Board.
- 5.3. The Managing Director's performance will be formally assessed by the Board on an annual basis, and informally at mid-year.

6. Role of the Company Secretary

- 6.1. The Company Secretary reports to the Chairperson on board matters and to the Managing Director on operational issues.
- 6.2. The Company Secretary's responsibilities include:
 - 6.2.1. Organising board and board committee meetings and preparing agendas, papers and minutes;
 - 6.2.2. Providing support to the Chairperson, the Directors and the Committees;
 - 6.2.3. Monitoring completion of action items arising from board and board committee meetings;
 - 6.2.4. Ensuring compliance with relevant responsibilities under the Corporations Act 2001; and
 - 6.2.5. Providing governance, administrative, technical and other support to the Directors, including advice on issues related to director liability.
- 6.3. All Directors will have direct access to the Company Secretary.
- 6.4. The Company Secretary may seek legal advice to support advice provided to the Board.

7. Board Meetings

- 7.1. Board meetings will be conducted in accordance with MLA's Constitution.
- 7.2. The agenda and supporting papers will be provided to Directors in advance of each meeting. Late items

and papers may be submitted with the consent of the Chairperson.

- 7.3. Board papers will follow an approved format and be concise and precise.
- 7.4. Management will, as required by the Board, provide information to Directors about the operations of MLA and matters relevant to MLA's business.
- 7.5. The Board may invite other persons to observe or participate in board meetings.
- 7.6. From time to time the directors will meet without management present.
- 7.7. Minutes will be prepared for each board meeting. The draft minutes of each board meeting will be reviewed by the Chairperson and circulated to all Directors within 7 days after each meeting.

8. Confidentiality

- 8.1. All proceedings of the Board, including board discussions, papers, presentations and other material provided to the Board, must be kept confidential except as required by law or as agreed by the Board.

9. Conflicts of Interest

- 9.1. Directors must act in the best interests of MLA and exercise unfettered and independent judgment.
- 9.2. Directors must take all reasonable steps to avoid actual, potential or perceived conflicts of interests.
- 9.3. Directors must disclose and deal with actual, potential or perceived conflicts of interest in accordance with MLA's *Conflicts of Interest Policy and Procedures*.

10. Independence

- 10.1. An independent Director is a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of the Director's judgment.
- 10.2. The Board will annually assess and disclose each Director's independence in accordance with MLA's Policy on Independence of Directors. Each Director must provide the Board with all relevant information to enable it to make this assessment.
- 10.3. All Directors will bring an independent judgment to bear on board decisions.

11. Training

- 11.1. All new Directors must participate in an induction program to assist them to carry out their responsibilities.
- 11.2. The Board is committed to the ongoing development of all Directors and will arrange relevant training for the Board as a whole, when appropriate.
- 11.3. Individual Directors are responsible for their own development and must endeavour to participate in any training nominated for them by the Chairperson.
- 11.4. Directors may also, with the Chairperson's approval, attend other professional development courses to enable them to carry out their responsibilities.

12. Evaluation

- 12.1. The Board will on an ongoing basis consider its own performance at Board meetings.
- 12.2. The Board will undertake an annual assessment of its performance, including the performance and effectiveness of the Board as a whole, the Chairperson and of individual Directors. Outcomes from this annual assessment will be reported to and discussed by the Board.
- 12.3. The Chairperson will consider whether or not to engage an external facilitator to assist with the above.

13. Committees

- 13.1. The Board will be assisted in the carrying out of its responsibilities by Board Committees.
- 13.2. The Board Committees currently are:
 - 13.2.1. The Remuneration Committee, which reviews procedures for establishing compensation levels

for Directors and MLA staff as well as staff talent management, succession planning, learning and development.

- 13.2.2. The Audit, Finance and Risk Committee, which assists the Board with the integrity of financial reporting, legal and regulatory compliance, risk management, ensuring the independence of external auditors and internal audit and approvals of the investment portfolio as set out in the investment policy.
- 13.2.3. The Research & Development Investment Committee, which reviews the research, development and adoption (RD&A) strategies and priorities within the framework of available RD&A investments.
- 13.3. Other Committees may be established by the Board in accordance with MLA's Constitution.
- 13.4. Each Committee will have its own Charter approved by the Board. Each Charter will set out the membership, responsibilities and reporting obligations for the Committee.
- 13.5. In addition to the Board Committees, MLA's Constitution provides for a Selection Committee, which reports to MLA's members on the suitability of candidates for re-election or election to the office of Director.
- 13.6. Meetings of Board Committees and the Selection Committee will be conducted in accordance with MLA's Constitution.
- 13.7. The Board may establish Advisory committees from time-to-time with no delegated powers. The Board will approve the members and the Chair of each committee. A separate Charter will be adopted for each Advisory committee which will be reviewed every two years.

14. Access to Independent Professional Advice

- 14.1. The Board is entitled to retain, at MLA's expense, such legal, accounting or other advisers, consultants or experts as it considers appropriate for the carrying out of its responsibilities.
- 14.2. Each Director may, with the Chairperson's approval, obtain independent professional advice at MLA's expense (not exceeding any limits specified by the Board) on matters relevant to the carrying out of the Director's responsibilities.

15. Review of this Charter

- 15.1. The Board Charter and Committee Charters will be reviewed every 2 years or as required. Any modifications to or replacements of this Charter must be approved by the Board.

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