

# Murray Irrigation Limited

## Board Charter



Approved by Board of Directors, 27 May 2021

This Charter sets out the role, responsibilities, structure, and processes of the Board of Directors of Murray Irrigation Limited (**Company**).

## 1 Roles and Responsibilities

- 1.1 The role of the Board is to approve the purpose, values and strategic direction of the Company, guide and monitor the management of the Company in achieving its strategic plans, review, approve and monitor the Company's risk management systems across its businesses, and to oversee overall good governance practice.
- 1.2 The Board is responsible for:
  - a. approving the Company's purpose and values;
  - b. approving the Company's strategy, business plans and policies;
  - c. monitoring the Company's strategic direction and monitoring its performance in delivering its strategic plans;
  - d. approving the Company's risk appetite and monitoring and reviewing the Company's financial and non-financial risk management systems, including internal compliance and control mechanisms;
  - e. approving the annual report and financial statements (including the directors' report) and any other published reporting, upon recommendation from the Audit and Risk Management Committee and in accordance with the Constitution, *Corporations Act 2001* (Cth), and any other applicable regulations;
  - f. approving and monitoring operating budgets, major capital expenditure, capital management, and acquisitions and divestments;
  - g. overseeing the Company's accounting and corporate reporting systems, reviewing the effectiveness of these systems in ensuring they produce adequate, accurate and timely information being provided to the Board;
  - h. approving and monitoring the system and policies to ensure the integrity of the budget, financial statements, and other reporting;
  - i. appointing, re-appointing, or removing the Company's external auditors and approving the auditor's remuneration, upon recommendation from the Audit and Risk Management Committee;
  - j. approving and monitoring the effectiveness of the Company's system of corporate governance, including formation of Board committees and the terms of applicable governing charters;
  - k. monitoring and guiding the culture, reputation, and standards of conduct of the Company;
  - l. approving the Code of Conduct and other corporate policies, monitoring their effectiveness, and addressing any material breaches;

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- m. approving the Company's remuneration policies for non-executive directors, the CEO and senior executives and ensuring these policies are aligned with the Company's purpose, values, strategic objectives and risk appetite, upon recommendation from the Remuneration and Nominations Committee;
- n. determining the process for evaluation and the continuous improvement of the Board's performance;
- o. appointing and removing the CEO;
- p. approving the remuneration of and overseeing the performance review of the CEO;
- q. approving and reviewing succession plans for the CEO, the senior management team and members of the board;
- r. available to meet with stakeholders from time to time, including participation in annual meetings.

## 2 The Role of Management

- 2.1 The day-to-day management of the Company is the responsibility of the CEO, supported by the Executive Management Team.
- 2.2 The Board delegates to the CEO all powers to manage the day-to-day business of the Company, subject to those powers reserved to the Board in clause 1 and any specific delegations of authority approved by the Board.
- 2.3 The key responsibilities of the CEO are to:
  - a. manage and administer the day-to-day operations of the Company in accordance with the purpose, values, strategy, business plans and policies approved by the Board;
  - b. develop strategies for the Company and make recommendations to the Board on such strategies;
  - c. develop the Company's annual budget and conduct the Company's activities within the approved annual budget;
  - d. develop strategies for the Company to maintain a strong balance sheet over time;
  - e. develop and maintain the Company's risk management systems, including internal compliance and control mechanisms and ensure the Company is operating within the risk appetite set by the Board;
  - f. ensure compliance with the Company's statutory obligations and its policies;
  - g. recommend to the Board significant operational changes and major capital expenditure, acquisitions, or divestments, which are beyond delegated thresholds;
  - h. report regularly to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively;
  - i. implement the policies, processes and codes approved by the Board;
  - j. exercise such additional powers as are delegated to the CEO by the Board from time to time; and
  - k. instil and reinforce the Company's Code of Conduct and purpose and values to support a culture that promotes ethical and responsible behaviour.

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### 3 Composition, Size and Structure of the Board

- 3.1 **Composition:** The Board is responsible for determining an appropriate mix of skills, knowledge, experience, expertise, and diversity of the Non-Member Directors, necessary to review and approve the strategic direction of the Company, and to guide and monitor the management of the Company.
- 3.2 **Size:** The number of directors on the Board shall be determined in accordance with the Constitution and the requirements of the *Corporations Act 2001* (Cth). This should be reviewed annually and adjusted biannually if required in response to company requirements.
- 3.3 **Induction:** The Board shall ensure that new directors receive an appropriate induction. The induction program includes meetings with members of the Executive Management Team, site tours, and will include:
- the processes of the Board;
  - Board culture;
  - the role and responsibilities of a Director;
  - the Company's strategic direction;
  - the nature of the business;
  - industry matters including an overview of the regulatory environment;
  - the Company's financial position;
  - key senior management;
  - operational and risk management practices; and
  - the major issues facing Murray Irrigation.
- 3.4 **Qualifications:** The Board is responsible for periodically reviewing Board composition, skills and experience in relation to:
- the need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively and ensure directors receive briefings on material developments in laws, regulations, and accounting standards relevant to the Company; and
  - Board appointments for Non-Member directors, including preparing a description of the role and capabilities required for a particular Non-Member director appointment, identifying suitable candidates to fill Non-Member director vacancies as and when they arise, and nominating candidates for the approval of the Board.
- 3.5 **Performance Review:** The Board is responsible for undertaking an evaluation process to review its performance and that of its committees annually.

### 4 Appointment and Responsibilities of the Chair

- 4.1 The Board shall appoint a Chair and Deputy Chair. The positions of Chair, Deputy Chair and Committee Chairs shall be vacated every two years at the Board meeting immediately following the AGM.
- 4.2 The responsibilities of the Chair include:

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- a. conduct of all Board meetings, including briefing all directors in relation to the issues arising at Board meetings;
  - b. promote constructive and effective relations between the Board and management and between directors;
  - c. facilitate the effective contribution of all directors;
  - d. lead the Board;
  - e. ensure the efficient organisation and conduct of the Board's function;
  - f. chair general meetings of the Company; and
  - g. exercise such specific and express powers as are delegated to the Chair by the Board from time to time.
- 4.3 The role of the Deputy Chair is to provide support to the Chair and to step into the Chair's role and deputise for the Chair as required; including at Board meetings, should this become necessary. The Deputy Chair should also assume the Chair, with the approval of the Board, should the Chair vacate the office for any reason. The Deputy Chair should therefore possess the relevant competencies and interests to assume the role of the Chair.

## 5 Company Secretary

- 5.1 The Board must appoint at least one secretary in accordance with the Constitution.
- 5.2 Appointment and removal of the Company Secretary is subject to Board approval.
- 5.3 The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 5.4 Each director has a right of access to the Company Secretary at all times.
- 5.5 The role of the Company Secretary includes:
  - a. advising the Board and Board committees on governance matters;
  - b. monitoring that Board and committee policy and procedures are followed;
  - c. co-ordinating the timely completion and dispatch of Board and committee papers;
  - d. ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
  - e. helping to organise and facilitate the induction and professional development of directors.

## 6 Committees of the Board

- 6.1 The Board may from time to time establish and delegate any powers to a committee of the Board in accordance with the Constitution.
- 6.2 The Board is responsible for approving and reviewing the charter terms and membership of each committee established by the Board. The performance of each committee is to be reviewed by the Board, which will also consider whether any amendments to the relevant charter are necessary.
- 6.3 The Board has established the following committee:

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- a. Audit and Risk Management Committee;
  - b. Remuneration and Nominations Committee.
- 6.4 All directors shall be entitled to attend meetings of Board committees where there is no conflict of interest.

## 7 Board Meetings

- 7.1 The Board shall meet at least eight times per year, and otherwise as often as the directors determine necessary to enable the directors and the Board to fulfil their duties and responsibilities to the Company.
- 7.2 A director may call a meeting of the directors, and the Company Secretary must, if requested by a director, call a Board meeting.
- 7.3 The Company Secretary is responsible for distributing Board meeting papers to directors prior to each meeting.
- 7.4 A quorum for a Board meeting shall be determined in accordance with the Constitution.
- 7.5 Draft minutes of each Board meeting shall be prepared by the Company Secretary promptly following the meeting for review by the Chair.

## 8 Ethical Standards and Legal Duties

- 8.1 **Code of Conduct:** Each director shall abide by the terms of the Company's Code of Conduct and is expected to uphold the ethical standards and corporate behaviour described in the Code.
- 8.2 **Duties:** The Board will operate in a manner reflecting the values of the Company and in accordance with its agreed corporate governance guidelines, the Constitution, the *Corporations Act 2001* (Cth) and all other applicable laws and regulations.
- 8.3 **Conflicts of interest:** Directors have a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial possibility of conflict, whether it be a conflict of interest or conflict of duties. Each director must comply with the Board Conflict of Interest Policy and Conflict of Interest Procedure.

## 9 Independent Advice

- 9.1 The Board collectively, and each director individually, may obtain independent professional advice at the Company's expense, as considered necessary to assist in fulfilling their relevant duties and responsibilities.
- 9.2 Individual directors who wish to obtain independent professional advice must seek the prior approval of the Chair (acting reasonably) and will be entitled to reimbursement of all reasonable costs in obtaining such advice. In the case of a request made by the Chair, approval is required from the Chair of the Audit and Risk Management Committee.

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## 10 Confidentiality

The directors acknowledge that all proceedings of the Board and its committees are strictly confidential and will not be disclosed to any person other than Board members, except as agreed by the Board or as required by law.

## 11 Review of Charter

The Board will from time to time and at least every three years review this Charter to ensure that it meets best practice standards and the needs of the Company and the Board.