

Murray Irrigation Limited Directors' Handbook

Approved by the Board: 27 May 2021



Murray Irrigation

This document provides a reference source for Directors that describes Board operations and the conduct expected of Directors, along with procedures and protocols relevant to Board business and Directors' duties.

The handbook must be read in conjunction with Murray Irrigation Limited's (the Company) Constitution, Board Charter, Code of Conduct, Board Conflict of Interest Policy and Procedure. To the extent that there is any conflict, those documents, policies and procedures will take precedence. These documents are available on Diligent.

All Directors are expected to follow the provisions set out in this handbook.

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*'The board is imbued with its exciting and daunting authority as a group, not as individuals. That is, the board as a body has both the right and the obligation to govern, but its constituent members have none. The board speaks as a group or not at all. The group 'qua' group is the source of all discipline and responsible behaviour that is not controlled by an outside authority such as the law. Most board members accept this precept in theory, but most boards violate in practice.'*¹

The Board's Authority and its Exercise

1. At law, the authority of the Board derives from the *Corporations Act 2001* (Cth), the Company's own Constitution² and the State legislation governing the licences issued to the Company to conduct its operations and related activities.
2. To assist it in the execution of its duties, the Board has established Committees for the conduct of detailed work.
3. For Committees to serve the Board well, communication with the Board regarding Committee activity must be swift, timely and effective. In that respect the Board seeks to ensure:
 - a) Adequate alignment between Committee and Board activities so that report from the former to the latter assists timely consideration of Committee matters and prompt decision-making by the Board on Committee requests and recommendations.
 - b) Active, on-going collaboration between the Chair, the Committee Chairs and the Chief Executive Officer (CEO) as a 'facilitating layer' in the communication process, designed to bridge potential time gaps in the formal reporting process.
4. The Board Charter sets out detail in relation to the Board's authority and its exercise.

The Board and the Practice of Authority: Leadership, Decision-Making and Unity

5. Rules, guidelines, processes and structures notwithstanding, the Board recognises that, as a matter of practice, the moral licence to exercise its authority derives from the behavioural standards and professional integrity it demonstrates, as well as from its effectiveness as the organisation's foremost direction-setting and decision-making body.
6. Over and above its specific duties, the Board as a body is expected to provide and exercise leadership:
 - a) In setting the Company's direction and articulating its vision, as it may find expression in the Strategic Plan;
 - b) On an on-going basis in the management and conduct of the Board's business, through sound, expeditious and consistent decision-making; and

¹ Carver, J., *Strategies for Board Leadership*, CarverGuide Series on Effective Board Governance, Josey-Bass, 1997, p 3

² '...The business of the Company is to be managed by or under the direction of directors'. Murray Irrigation Limited, Constitution, 19 November 2009, at Item 10.1

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- c) In setting the behavioural and cultural tone of the Board and within the wider organisation – the latter in collaboration with Management.

*'Don't tolerate putting off the big issues forever. The really big issues will often be too intimidating for you to reach a solution comfortably. Yet in most cases, the decision is being made anyway by default. Board inaction can itself be a decision. Don't tolerate the making of big decisions by the timid action of not making them.'*³

- 7. It is a fundamental duty of the Board to make decisions on the matters presented to it for review and consideration. The Board and its Directors individually:
 - a) Have a duty of care in making their decisions (as well as a fiduciary duty in some instances);
 - b) Have the right (indeed the duty) to seek such information as they may require in order for them to exercise that duty of care;
 - c) Should be clear as to the rationale for their decisions and follow an appropriately rigorous process in arriving at those decisions, i.e., one that rests on consistent principles;
 - d) Should exercise leadership in arriving at decisions in a timely and forthright manner; and
 - e) Recognise the Board meeting as the only forum for Board decision-making.

- 8. In addition, Board and Management jointly and severally:
 - a) Recognise the authority of the Board once a matter has been decided after an appropriate airing;
 - b) Recognise their obligation to communicate, uphold and defend those decisions as decisions of the Board (and thus of the organisation), as part of their advocacy responsibilities – whether or not their personal view accords with the decision and whether or not their argument carried the day (and the vote).

*'Be responsible for group behaviour and productivity. While doing your job as a single board member is important, it does not complete your responsibility. You must shoulder the potentially unfamiliar burden of being responsible for the group. That is, if you are part of a group that doesn't get its job done, that meddles in administration, or that breaks its own rules, you are culpable.'*⁴

Board Culture

- 9. In meeting their obligations to the Company, the Board and Management together strive for best practice. To support that effort both Board and Management have put in place processes and structures consistent with that aspiration. Nonetheless, and in acknowledgement of change and the on-going need for improvement, these processes and structures are reviewed regularly.

- 10. Board and Management alike recognise their duties to each other in the development, observance and maintenance of professional, harmonious and collaborative working relationships, marked by respect and courtesy within their respective bailiwicks as well as in their joint dealings.

³ Carver, J., *ibid.*, p 15

⁴ Carver, J., *Your Roles and Responsibilities as a Board Member*, p 13

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11. While the Chair and the CEO have primary responsibility for supporting (and if the need dictates, enforcing) professional standards of behaviours within their respective areas of control, members of the Board and Management accept without reserve their joint and several responsibilities in upholding agreed behavioural standards, as reflected in the Code of Conduct.

*'Though the chairperson bears particular responsibility with respect to the governance process, the entire board cannot avoid its share of responsibility. In other words, the existence of a chairperson does not relieve other board members from contributing to the integrity of the process. If the board as a whole does not accept responsibility for the governance process, the best the chairperson can achieve is superficial discipline.'*⁵

*'Support the chair in board discipline. Although the board as a whole is responsible for its own discipline, it will have charged the chair with a special role in the group's confronting its own process. Don't make the chair's job harder, rather ask what you can do to make it easier'*⁶

Directors' Code of Conduct

12. Directors shall instil and reinforce the Company's Code of Conduct.

*'Conduct in any job is important, of course, but board conduct requires more than the usual vigilance for several reasons. First, because the board is a group of individuals, questions of group conduct versus individual conduct are confounded under the best of conditions. Second, because the board is a group of peers, the board must learn to govern itself before presuming to govern others. Third, because other people depend on the board's style of operating, there must be some predictability and stability.'*⁷

Duties of Directors: General Expectations

In matters of general conduct, Directors are expected to:

13. In addition to the Code of Conduct, to set an example for the Company as a whole.
14. Understand their professional duties and responsibilities and to discharge them in a responsible and pro-active manner.
15. Ensure that they give to these duties and responsibilities the time and attention they require. Directors are required, in particular:
 - a) To evaluate the number of boards on which they serve; and
 - b) To seek approval from the Chair prior to accepting an invitation to become a director of any corporation which may conflict with their role and duties at Murray Irrigation; in the case of the Chair, to seek approval from the Chair of the Audit and Risk Management Committee. To ensure they have sufficient capacity / conflict.

⁵ Carver, J., *ibid.*, p 3

⁶ Carver, J., *ibid.*, p 17

⁷ Carver J., *Board Self-Assessment*, CarverGuide Series on Effective Board Governance, 1997, p 7

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16. Behave at all times, both within Board meetings and outside of them, in a professional, civil and constructive manner with their fellow Directors and with Management.
17. Assist and support the Chair actively in upholding Board discipline, both professional and behavioural.
18. Protect and enhance, by their behaviours and actions, the reputation and standing of the Company within the organisation, among its shareholders and customers and in the wider community.
19. Exercise independent judgement in the matters brought before the Board.
20. Respect the confidentiality of matters brought before the Board, of the Board's deliberations, of the outcomes of those deliberations and, generally, of the Company's affairs. This means Directors may not discuss confidential Board matters with anyone outside the Board without explicit authorisation of the Board.
21. Behave honestly and ethically, observing, among other things, the Company's policy regarding receiving gifts, the acceptance of hospitality or other benefits and inducements.
22. Attend scrupulously to the disclosure of their interests and to abide by the spirit and the letter of the Company's Board Conflict of Interest Policy and Procedure governing the declaration and management of real or perceived conflicts of interest including trading in water and entitlements.
23. Facilitate the transaction of business at Board meetings by:
 - a) reading their Board papers attentively prior to meetings;
 - b) conducting appropriate research before meetings and acquainting themselves fully with the issues confronting the Board (e.g., by seeking clarification from Management where matters raised in the papers require it);
 - c) attending Board meetings regularly and punctually;
 - d) behaving responsibly and professionally throughout;
 - e) participating actively and constructively in the Board's deliberations; and
 - f) supporting effective decision-making.

Duties of Directors: Specific Expectations

In addition to meeting general expectations as to their conduct, Directors and Management also recognise and agree that:

Exercise of Independent Judgement

24. It is a function of the Company's role and Constitution that the Company in general and the Board in particular must take account of (and reconcile, wherever possible) the interests of different groups (such as customers and shareholders), as well as those of the Company as a whole.
25. While these interests tend to overlap by and large, they can (and do) diverge, sometimes materially, among the groups involved.⁸ This divergence of interests can be the source of significant pressure on Management, on the Board as a whole and on individual Directors, the majority of whom are elected to the Board.

⁸ The differences can be local in nature, just as they can reflect the relative size of landholder operations – among other factors.

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26. Board and Management acknowledge the tensions and conflicts that the divergent interests can excite. By extension, both bodies acknowledge the importance that attaches to:
- Identifying clearly the interests at play in any matter put before the Board;
 - Ensuring that decision-making surrounding those interests is marked by intellectual rigour and independent judgement;
 - Displaying integrity and constancy in supporting the decision the Board arrives at, whether or not it accords with a Director's personal view or interest; and
 - Speaking with one voice on that decision, putting stock by the rigour of the decision-making process to explain and advocate the outcome the deliberations have produced.

*'Represent the ownership, not a single constituency. You will understand and personally identify with one or more constituencies more than others. That provincial streak is natural in everyone, but your trusteeship obligation is to rise above it. If you are a teacher, you are not on the board to represent teachers. If you are a private person you are not there to represent that interest. You are a board member for the broad ownership. There is no way that the board can be big enough to have a spokesperson for every legitimate interest, so in a moral sense you must stand for them all. Think of yourself as being from the constituency, but not representing it.'*⁹

Advocacy

27. The Board and its Directors have a duty to inform and educate the Company's constituency.¹⁰ About the role of Directors (and the consequential obligation to balance the interests of all constituents when making decisions); and about the wider (i.e., strategic) direction of Murray Irrigation and the policies that flow from it.
28. When attending to that duty Directors will be seen to represent the Company more than they do the Board *per se*, let alone themselves. In their words and actions, they cannot usurp the power of the Board as a body. A Director cannot enter into undertakings, commitments or promises that engage the Company, Management or the Board. A Director is only permitted to represent the Company when specifically authorised by the Board, either directly or by the Chair, to do so. A Director can only take questions and issues on notice.
29. Further, Board and Management recognise that, as elected officials, Directors will be approached directly by shareholders keen to promote their views or to seek to have specific problems or issues attended to. Where this occurs, a Director will:
- Advise the shareholder of the operational nature of the request (and thus that satisfaction of the issues falls outside the Director's and the Board's purview);
 - Direct the shareholder to Management, in accordance with established procedure; and
 - Invite further contact if the appropriate officer has not responded to the shareholder in a reasonable timeframe.

⁹ Carver, J. *Your Roles and Responsibilities as a Board Member*, CarverGuide Series on Effective Governance (1997), p 13

¹⁰ By 'constituency' we understand the mix of MIL shareholders and customers that, in other contexts, might be described as 'key stakeholders'.

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Board and Management Relations

'No one in the organisation has authority that has not originated with the Board. This includes the Chair and the CEO. Both work for the Board.'

The Board will not become CEO-dependent because the flow of authority compels a CEO to work for the Board rather than the CEO to stage-manage the Board.

The Board as a body will protect the CEO and staff from the Board as individuals.

The CEO will know that he or she need never pay attention to anything a given board member instructs or advises but is unequivocally bound to meet criteria set by the body. The board speaks as one.

Dealings between the Board and Management – General

30. The Board meeting is the forum in which the business of the Board (and thus the business of the Board with Management and vice-versa) is transacted. Urgent and unexpected matters aside, there is no other forum for the transaction of Board business.
31. The Board meeting is not normally a forum for customer complaints or other operational matters, unless all other avenues have been reasonable exhausted. Any conflict of interest in relation to the complaint or other operational matter should be declared.

Contacts between Directors and Management outside the Board Meeting

32. Directors have a duty of care for the manner in which they exercise their functions. As part of that duty of care, they may seek to have clarified or explained in greater detail matters or issues put before them for consideration and decision.
33. In searching for clarification or explanation, Directors are entitled to approach the CEO directly in order to obtain the information or explanation that will assist their understanding.
34. Directors' requests for information and explanation must be reasonable, whether the term 'reasonable' is used to describe the volume of information requested, the time with which the information is to be produced or the frequency with which demands are made of Management. Moreover, such dealings are neither to be construed nor used as occasions for the prosecution of Board business or the direction of Management. Under no circumstances are Directors permitted to induce employees or members of Management to release information.
35. Management is required to respond to Director's enquiries promptly and diligently and in most cases at the next Board meeting, unless the request requires urgent attention.
36. Where Directors have cause to communicate with Management in writing or by email, the correspondence must be copied to the CEO for attention and the Chair for information at the time of issue. Correspondence between the Board and Management (whatever its direction) forms part of the record of Board business. The Chair will seek a justification for information requested by Directors outside meetings and once satisfied, the information will be provided to Directors.

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37. To the extent that exchanges among Committee members are concerned with Committee business that properly falls within a Committee's charter, communication between Directors and Managers within Committees is not subject to the same formality as general communication between Directors and Managers, as the requirement for transparency is satisfied through the reporting mechanisms between the Committees and the Board.

Sharing of Experience as Advisors, not Directors

38. Where a Director with a particular interest or body of experience wishes to assist the organisation by having it tap that particular interest or experience, he or she must do so as an advisor and not in his or her directorial capacity.
39. Two channels are available for the sharing of a Director's experience either via membership of a Committee of the Board or participation in a special project.
40. In either instance, the involvement of that Director with a Committee of the Board or the special project team must be sanctioned by the Board before the fact and accord with the charter of the Committee or the brief for the special project.

'The most important part of the Chairman's role is to manage the relationship with the CEO. First, both must understand that their roles are different. The chairperson manages the board and the CEO manages the company, under the authority delegated by the board. Second, the CEO reports to the board, not simply to the chairperson. Third, the CEO position is lonely and exposed and this necessitates a close working relationship between the chairperson and the CEO. The chairperson should seek to maintain the relationship between the board and the CEO. Fourth, in spite of questions of personal loyalty, the chairperson's responsibility is to the board and the company.'¹¹

Relationship between the Chair and the CEO

41. The Chair and the CEO enjoy a privileged relationship by virtue of their respective offices, the first as the leader of the Board and the second as the leader of Management.
42. On those occasions where business is to be transacted outside Board meetings, communication between the Board and Management occurs through the Chair and the CEO.
43. The privileged nature of this communication channel (and of the relationship that underlies it) is recognised by members of the Board and Management alike.
44. Privileged relationship notwithstanding, it is also recognised that the CEO is accountable to the Board as a whole, not to the Chair.

'The board and the CEO constitute a leadership team. Their contributions are formally separable, and once clearly differentiated, the two roles can be supportive and respectful of each other. Each can reasonably expect the other to exhibit leadership...'

¹¹ Henry Bosch, *Conversations between Chairmen*, AICD, Sydney, 1999, quoted by Farrar J. in *Corporate Governance – Theories, Principles and Practice*, Oxford University Press Australia/New Zealand, 2011, p 347.

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The board has the right to expect performance, honesty and straightforwardness from its CEO. Boards can at times be understanding about performance, but should never bend an inch on integrity. The CEO has the right to expect the board to be clear about the rules and play by them. He or she has the right to expect the board to speak with one voice. And the CEO has the right to expect the board to get its job done.¹²

Commissioning of Work by the Board

45. The Board will, from time to time, require Management to perform specific tasks such as research, the exploration of options, the drafting of policies or the framing of recommendations, in addition to conducting the Company's ordinary business.
46. Directors cannot commission such work independently, that is the Board's sole prerogative, exercised by formal resolution in the context of Board meetings.
47. When commissioning the work, the Board is duty bound to make its will and intent clear to Management, not only in terms of its rationale in commissioning the work, but also in terms of its expectations vis-à-vis the work (e.g., scope and depth of the work, expected standard or detail, timeframe for delivery, particular criteria).
48. It is the duty of Management to assist the Board in clarifying requirements so that its instructions are well understood *before* the work is undertaken and the materiality of the work established.¹³
49. Board and Management have a mutual obligation to assess the priority of that work over other items the Board may have previously commissioned, and to adjust those priorities as appropriate or necessary. The concept of materiality will be further tested as part of any re-assignment of priorities.
50. The relationship of the proposed work to the Strategic Plan will be an important reference mark in the Board's decision to commission the work and thus a factor in the discussion of materiality. That said, it is also acknowledged that not all circumstances the Board encounters will have been foreshadowed in the organisation's Strategic Plan.
51. The Board has a duty to critique the quality of the work done at its behest, whether by a Committee or by Management. Without lacking in candour, the Board's critique is to be professional in tone and constructive in substance. The purpose of the critique is to assist Management to understand where their efforts have met with success, where they have fallen short or where they may have missed the mark altogether. The ultimate goal of the critique is grown in capability, not is enfeeblement.

¹² Carver, J., *Basic Principles of Policy Governance*, CarverGuide to Effective Board Governance, Josey-Bass, 1996, p 19

¹³ The 'materiality' criterion denotes the comparative benefit the organisation expects to derive from investing effort in the proposed work over other initiatives, given time and resource constraints.

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Board Meetings

Board Meeting Preparation and Potential Conflicts of Interest

52. The preparation of the Board meeting agenda provides an opportunity for the identification of possible or potential conflicts of interest by the Chair, the CEO, and the Company Secretary.
53. As part of structuring the agenda and its accompanying Board papers, consideration must be given to identifying possible or probable conflicts of interest by reference to the standing declarations of interest. This reflection will assist the Chair in his preparation for the meeting by affording him the opportunity to:
 - a) Phrase questions designed to ascertain the existence of a conflict, whether real or perceived; and
 - b) Devise a proposed course of action to manage the conflict, should its existence be established.
54. On reviewing the agenda and the accompanying Board papers, individual Directors should, as part of their own preparation, consider whether or not any of the matters on the agenda:
 - a) Invoke (or has the potential to invoke) a real or perceived conflict;
 - b) Define the nature and materiality of the actual or possible conflict for discussion with the Board; and
 - c) Determine whether, in the Director's view, the real or perceived conflict warrants withdrawal from the discussion and any subsequent vote.

During a Meeting

55. For the purposes of conflicts of interest that arise during a meeting or from the subject matter presented in reports to that meeting, all Managers present and the Company Secretary must also declare any interest they hold for the purpose of informing the Board. Managers or the Company Secretary need not leave the room if they have declared an interest, as they do not vote on the matter and Directors must still exercise independent judgement during the course of discussion, however, to avoid perceptions of undue influence, Managers should disclose their interest and absent themselves from the discussion.
56. The management of real or perceived, possible or probable, conflicts of interest is a duty of the Board, and one that ought to be fulfilled by mutual effort of the parties. The Chair¹⁴ is duty bound to test for possible or potential conflicts of interest among Directors in the matters set before the Board. This testing should occur through questioning, whenever a doubt arises.
57. Individual Directors are equally bound to raise the possibility or probability of their having a conflict of interest and to seek the Board's advice on the proposed course of action.
58. The consideration and disclosure of interests by Directors will be the first item of business at all Board and Committee meetings, following the formalities of opening the meeting.
59. In this regard it is important to note that:

¹⁴ Supported by the Company Secretary at the meeting.

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- a) The Board as a body (those Directors who have not declared an interest) by resolution may choose to have the Director who has declared a conflict remain in the room and participate in both deliberations and voting if note is made (a) of the Director's declaration (including nature and perceived or actual extent) and (b) of the Board's view that the conflict is not likely to influence the Director's views unduly and thus to constitute a breach of duty.
- b) The Director involved may still choose to exclude himself or herself from the deliberations and the vote, notwithstanding the Board's permission to remain.
- c) The minutes must record the declarations and their outcome (e.g., withdrawal or permission to remain).
- d) The setting down of the conclusions and actions as part of the formal record (minutes).

Communication with an excluded Director

60. Details of discussion and decision on an item must not be communicated to a Director excluded from that discussion. Any such communication must occur only between the Director and the Chair of the meeting; or after the decision is made public knowledge.
61. Should an excluded Director come into possession of such information, that Director must not act upon it until made public by the Company or any unfair advantage is removed.

Conduct of Board Meetings

62. The Board meeting is the forum in which the business of the Board (and thus the business of the Company and the Board with Management and vice-versa) is transacted. There is no other forum for the transaction of Board business.
63. Established processes ensure that the Board and its Committees meet regularly to attend to the business of the Company. Where urgent and unexpected matters arise ¹⁵, the Board may meet in extraordinary session or deal with the business at hand via teleconferencing, video-conferencing or similar technology. ¹⁶ The business of the Board and its Committees is confidential to the Board and to the members of Management with whom that business is transacted. There are no exceptions.
64. A closed or 'in-camera' session is a session of the Board in which Directors only are present in the room, save for the Company Secretary (or other nominated person) whose presence is required for the recording of minutes and decisions, or to present or provide advice.
65. The Board may call an in-camera session for a range of reasons, some of them forming part of the annual Board calendar (such as the annual review of the performance of the CEO), while others may be prompted by unexpected events.
66. Unless modified by the Board on an as needs basis, the following rules apply to *in-camera* sessions:
 - a) *In-camera* sessions are a form of meeting to be used judiciously and in exceptional circumstances; and

¹⁵ Which may be handled by ad-hoc means, from supplementary meetings to telephone and video-conferencing.

¹⁶ Refer Section 248 (d) of the Corporations Act, whereby 'A directors' meeting may be called or held using any technology consented to by the directors. The consent may be a standing one.'

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- b) In general, in-camera sessions should be formally advised on the Board meeting agenda and the subject matter is identified.

Attendance at Board, Committee and Shareholder Meetings

- 67. Directors are required to attend all Board meetings, shareholder meetings and the meetings of Board Committees on which they serve.
- 68. At Board meetings, the Board expects and requires, at a minimum, the participation of the following:
 - a) the Company Secretary; and
 - b) the CEO.
- 69. The Board also expects that, on Board meeting days, members of the Executive Management Team will be available to join the Board meeting at short notice should the need for their participation arise (in addition to Management contributions already identified on the Board meeting agenda).

Preparing for the Board Meeting

- 70. The format of the Agenda will include:
 - a) Apologies and quorum;
 - b) Declarations of interest;
 - c) Approval of minutes from the previous meeting and business arising from previous meetings;
 - d) Review of business performance since the last meeting, including:
 - i) A report from the CEO;
 - ii) A report on the previous quarter's summary financial performance;
 - iii) Water availability information and water delivery performance metrics within the constraints of the water management policy;
 - e) Strategy and policy matters;
 - f) Governance matters;
 - g) Operational matters;
 - h) Other business.
- 71. Directors have the right to include other business to be discussed at the meeting within administrative constraints of the meeting and subject to notifying the Chair of the inclusion prior to the meeting.
- 72. The Chair and the CEO will consult on, and determine, the following prior to releasing the Board meeting agenda:
 - a) The specific items that are to be addressed at the meeting;
 - b) The expected nature of the Board's contribution in respect of each agenda item (e.g., for decision, for comment and feedback, for information);¹⁷
 - c) The name of the person who will speak to a given item and the author of the paper;

¹⁷ Care should also be taken that items requiring a Board decision are given priority over those items that are for noting only, for instance.

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- d) The time to be allocated to each item on the agenda, as a function of the importance and weightiness of the matters involved;¹⁸ and
- e) Any particular requirement of the Chair or the CEO in regard to the agenda.

Preparing for the Board Meeting: Board Papers

- 73. Board papers should assist Directors in understanding the matter at hand and in forming views for discussion on the day and clearly indicate the action required of the Board on a particular matter (e.g., for decision or information).
- 74. While board papers may be supported by additional documentation, papers should be succinct and include a precise summary and clear recommendation.
- 75. Board papers should be distributed to Directors on time, in accordance with the agreed schedule of distribution electronically at least one week prior to the meeting.
- 76. Reports and information deemed to be time or market sensitive will be distributed to Directors or Committee members two days prior to the meeting and will activate the blackout period specified in the Conflict of Interest Procedure.
- 77. Unless exceptional circumstances arise because legal considerations require it or the need for up-to-the-minute information demands it,¹⁹ no papers are to be submitted to the Board on the day of the meeting (or in the hours immediately preceding it).
- 78. Additional board papers or reports that are submitted during a meeting or distributed prior but separately to the already distributed board papers, must be provided to the Company Secretary and be filed with the board paper master copy held by the Company.
- 79. It is expected that, prior to the Board meeting, Directors will have:
 - a) Read their Board papers;
 - b) Sought such clarification or explanation of the matters raised in the papers as to:
 - i) Understand their substance;
 - ii) Identify questions or issues warranting discussion at the Board meeting; and
 - iii) Have formed a preliminary opinion as to their position on the matters raised, in the interests of effective decision-making at the meeting.
- 80. Meetings of the Board and Committees are convened according to the schedule approved annually by the Board.
- 81. Whilst any Director may call an additional meeting at any time, such requests are to be addressed in the first instance to the Chair of the Board or Committee.

Use of technology for Board and Committee meetings

- 82. The Board may choose to perform all or some of its meetings using remote technologies, for efficiency or other reasons.

¹⁸ Including presentations by external parties

¹⁹ Such as in the release of the latest water availability statistics

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83. The Board will endeavour to conduct meetings using remote technologies with all participants using the same platform, rather than mixes of technology or hybrid meetings, where one or more Director might be disadvantaged.
84. If a Director wishes to attend a meeting by telephone, remote technology or video-conference, the Director must notify the Chair and Company Secretary prior to the meeting.
85. Where a Director attends a meeting by the use of technology, the technology must allow that Director to:
 - a) hear and be heard at all times; and
 - b) be able to see all documents tabled or discussed during the meeting.
86. Meetings convened by teleconference at short notice are to be avoided unless the urgency of the issue at hand does not allow waiting until the next scheduled meeting.

Conducting the Board Meeting: General

87. Board discussions are to be actively managed to ensure all matters on the agenda can be addressed within the time allocated.
88. The primary responsibility for the management of Board discussions in accordance with the agenda and the associated schedule falls to the Chair and all questions or comments must be addressed through the Chair.
89. It is the Chair's prerogative to adjust the schedule to reflect the importance of the topic and the associated discussion. Adherence to the schedule cannot take precedence over the Board's duty of care in arriving at decisions.
90. In the absence of the Chair and Deputy Chair, the first item of business of any meeting must be to consider and vote on a Director to chair the meeting.
91. If the Chair of the meeting must leave the meeting at any time, to allow the meeting to continue, the Board must appoint a Director to assume the chair pro tem. In practice this will usually be the Deputy Chair, if in attendance.

Conducting the Board Meeting: Actions and Resolutions

92. Voting is by show of hands unless otherwise determined by the Chair. The Chair does not have a casting vote.
93. Motions are passed by a majority of those present. Votes in favour of a motion must be explicit; at law, silence cannot be taken as assent to a motion.
94. If a motion conflicts with an earlier resolution, the Board must expressly rescind the earlier resolution.
95. Actions requested by the Board or Committee must be agreed by way of a formal motion.
96. An action register is to be maintained recording the status of:
 - a) Actions that require reporting back to the Board or Committee; and

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- b) Resolutions requiring implementation by Management.
97. The action register is to be included in the board papers for each scheduled meeting showing actions complete since the last meeting, and those outstanding.
98. A register of all resolutions (or searchable minutes) is also to be maintained and made available to all Directors and Management to provide a convenient record of the Company's decisions.

Conducting the Board Meeting: Role of the Chair during the Meeting

99. The Chair is expected to exercise leadership in conducting the Board meeting:
- a) maintaining order;
 - b) managing the agenda;
 - c) pacing the discussion;
 - d) drawing out views;
 - e) providing guidance where necessary;
 - f) facilitating decision-making; and
 - g) generally ensuring that the Board or Committee does its job and deals efficiently and productively with the business at hand.
100. Nonetheless, all Directors, with the support of Management, have a duty to assist the Chair in conducting the meeting and in dealing with Board business, through the quality of their individual contributions, their support of the Chair's efforts, and their individual observance of agreed behavioural standards.
101. Without being prescriptive about the Chair's personal style, 'managing a discussion actively' is understood to mean that the Chair will, for each agenda item:
- a) Introduce the item and locate it in its context and/or priority;
 - b) Summarise its Board history up to the present (e.g., first time before the Board or an 'old issue' revisited);
 - c) Indicate the expectation of the position the Board should ideally find itself in when it comes the time to close the discussion (i.e., a better understanding of the situation or a decision on the matter involved);
 - d) Ensure all Directors have an opportunity to speak on the matter before the Board;
 - e) Seek out the appropriate contribution from Management;
 - f) Contain the discussion based on the relevance of the arguments put forward;
 - g) Provide direction and 'facilitating' guidance if the discussion stumbles;
 - h) Close the discussion by summarising the key points raised and the Board's perceived position on the matter;
 - i) Call for a resolution on the matter (or an adjournment, or further work, as the case may be); and
 - j) Summarise the outcome of the discussion for minuting by the Company Secretary.

Following the Board Meeting: Minutes

102. The minutes of Board and Committee meetings shall be minutes of resolution, recording only actions and resolutions formally agreed by the Board as a whole. Key points of discussion may also be recorded in the minutes.

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103. Comments of individual Directors, and/or dissent on a motion by a Director, will not be recorded in the minutes unless so requested by the Director and authorised by the Chair.
104. The minutes are not required to record the mover and seconder of a motion, nor any unsuccessful motion.
105. Following each meeting, draft minutes are to be approved by the Chair and then circulated to Directors by email or posted on Diligent. If any feedback arises it must be provided in writing to all other Directors. The Chair of the meeting determines any changes to the draft minutes that are to be accepted.
106. The minutes of each meeting will be presented to the subsequent meeting and Directors asked to confirm that the minutes of the previous meeting are a true and correct record of proceedings.
107. Minutes must be signed by the Chair of the meeting, or Chair of the following meeting, within a reasonable time irrespective of the Board or Committee's review described above, as is required by law.
108. Any amendment to minutes that have been signed may be done so only by further resolution of the Board or Committee, as required by law.

Circulating Resolutions

109. Notwithstanding the Board meeting being the primary forum for conduct of Board business, occasionally circumstances will necessitate the use of circulating resolutions to formalise a decision.
110. Circulating resolutions are resolutions of the Board passed without holding a meeting and are as valid as those passed at a meeting.
111. Circulating resolutions are to be used only where absolutely necessary and only when the Chair and Board have agreed.
112. Circulating resolutions are to be distributed to Directors by email or posted on Diligent. All Directors must respond promptly indicating whether they are for or against the resolution, or abstain from voting.
113. The resolution is passed once the number of Directors who would be sufficient to form a quorum have voted in favour of the resolution.²⁰ The Company Secretary will ensure Directors are provided a reasonable opportunity to vote (not less than 24 hours).
114. The circulating resolution is entered into the minute book once passed.

Board and Committee Work Schedule

115. Annually the Board will adopt a rolling 12-month calendar setting out meetings and routine reports to be received by the Board and its Committees for each meeting.

²⁰ Rule 39 of the company Constitution

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Director Expense Claims

116. Directors may seek reimbursement for reasonable expenses incurred during the conduct of Board business. This includes:
 - a) Travel to and from Board and Committee meetings and other meetings that the Director has been requested by the Board or Chair to attend to represent the Company (e.g., shareholder meetings). Travel is reimbursed per kilometre at the appropriate ATO rate.
 - b) Other travel expenses such as taxi fares, meals, parking, etc. in the conduct of Company business.

Review and Implementation

117. This handbook will be reviewed in accordance with the Board's agreed framework for review of Company policies, but not less than once every three years.