

## BOARD CHARTER – December 2018

### **1. Introduction**

The business of The Australian Institute of Food Science & Technology Ltd (AIFST) is conducted by a Board. In accordance with the Corporations Act 2001 (the Act), the Board is ratified by the members at the Annual General Meeting.

This Board Charter sets out the Board's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

### **2. Objective**

The Board as the governing body of the AIFST is responsible for the governance arrangements.

The Board's decisions and actions are made through:

- setting clear strategic directions for the organisation
- ensuring effective and efficient performance by the organisation
- ensuring effective governance processes and practices are in place
- ensuring the AIFST meets the requirements of the relevant law
- facilitating effective consultations between the AIFST, members and key stakeholders, and
- selecting and appointing the Managing Director (MD) and/or Chief Executive Officer (CEO).

### **3. Accountability**

The Board is accountable to the Company in accordance with Corporations law.

### **4. Composition and Tenure**

#### **Number of Directors**

The Constitution states that the number of Directors must be not less than 3 and not more than 7. The Board may however determine the number of Directors within this limit. At least five members of the board must be members of AIFST Ltd. The membership may appoint up to two non-member/independent Directors as per the Constitution.

#### **Appointment of Directors**

The members of AIFST ratify appointment of a person as a Director by resolution passed in a general meeting, based on the recommendations of the Nomination & Renumeration (N & R) committee.

#### **Directors retire by rotation**

In general, a Director must retire at the third annual meeting following the Director's appointment or after holding office for three years, whichever occurs later. Retiring Directors are eligible to offer themselves for re-election for a second term only.

## 5. Board roles and responsibilities

### Chairperson

*The Chairperson will:*

- provide leadership for the Board and the organisation
- facilitate setting of the strategic priorities for AIFST
- encourage the identification of issues that need to be discussed by the Board and ensure that time is available for these discussions to occur
- ensure meetings are managed efficiently and effectively and that all items on the agenda are appropriately discussed
- encourage members to prepare for and participate in meetings fully and effectively
- actively encourage members to maintain and improve their non-executive director skills
- provide support for and liaise with the MD/CEO on Board and appropriate matters
- promote the effectiveness of the Board's deliberations and liaise with members and stakeholders
- be the spokesperson for the Board, and
- monitor, assess and provide feedback on the performance of the MD/CEO in consultation with Board members.

### Board Members

*Board Members will:*

- shall act independently and free of influence
- pursue agreed strategic priorities of the organisation
- act with due diligence, care and good faith
- be committed to act in the best interests of the organisation as a whole
- understand and work within the legal framework of AIFST. Board members may receive periodic presentations to assist in achieving such understanding
- work to promote member and stakeholder confidence in AIFST
- develop, strengthen, maintain and expand professional networks with respect to AIFST
- deal with other Board members, staff, members and stakeholders with courtesy and respect
- maintain confidentiality
- identify and declare any conflicts of interest, perceived or pecuniary
- prepare for meetings, attend meetings and participate actively in discussions, and
- determine the level of allowances for the MD/CEO/CEO, in accordance with an agreed procedure.

## 6. Corporate and business planning

Board Members will ensure that business planning is timely and effective.

*Board Members will do this by:*

- each financial year, setting strategic priorities for AIFST based on a consideration of anticipated environmental impacts
- every three years, develop and approve a Strategic Plan that is based on these guiding priorities
- every year, approving a rolling three-year financial plan as a minimum, and
- annually, but with periodic review, approving a budget for AIFST consistent with the strategic plan and the financial plan.

## 7. Performance management

Board Members will ensure that there is a structured and regular system of performance management, review and reporting that is aligned with organisational outcomes and outputs and generates information that is appropriate for both internal performance management needs and external reporting requirements.

*Boards Members will do this by:*

- ensuring that AIFST has a robust system of individual performance monitoring and review
- regularly considering a report on progress against strategic directions and progress against the work plan
- regularly considering reports of expenditure and financial performance against agreed budgets
- regularly considering reports of organisational performance against agreed strategic objectives and strategies, and
- publishing an Annual Report and holding an AGM.

## 8. Corporate governance

Board Members will ensure that corporate governance arrangements are appropriate, documented and reviewed periodically.

*Board Members will do this by:*

- ensuring a review every two years, and
- consider reports into the organisation's corporate governance arrangements to ensure they align with best practice.

## 9. Managing Conflicts of Interest

Board Members will, prior to and at each meeting, consider each agenda item and identify any potential conflicts of interest and declare them before or at the start of each meeting and act appropriately.

All Board Members are entitled to receive the full relevant meeting papers or information relating to specific agenda items for each meeting. If a conflict is declared the Chair and Director will determine if it is appropriate to excuse that Director from the meeting for all discussions relating to that item.

*Boards Members will do this by:*

- considering declared conflicts of interest
- determining an appropriate action in each case for the declaration and registration of material personal interests
- acting consistently with the provisions of the Corporations Act 2001 (as amended from time to time) regarding requirements in respect of member's personal interests, and
- ensuring that declared conflicts of interest and the outcomes for each agenda item are recorded in the Minutes.

In addition to the above, Board Members will not hold the Convenor position on any of AIFST's member committees or special interest groups to assist in further managing real or perceived conflicts of interest.

## **10. Confidentiality**

Board Members are advised that all papers, reports (draft and final), research documents, verbal advice provided and discussions at the Board meetings, or provided to the Board meetings, are confidential unless otherwise stated or agreed by the Board.

## **11. Additional Information**

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision making. Any Director has the authority to seek any information required and the organisation must comply with such requests. All requests for information, and responses, must be communicated through the Chair to the MD/CEO. Directors should not contact staff directly.

Any Director may take such independent legal, financial or other advice as they consider necessary at AIFST cost. However, the seeking of such independent advice must be first discussed with the Chair who, if appropriate, will facilitate the obtaining of the advice and disseminate to all Directors.

## **12. Meeting Frequency**

The Board meets five times per year, including at least four face-to-face quarterly meetings. A one year planned schedule of meetings is maintained by the Company Secretary.

## **13. Performance Measures**

*The Board will:*

- collectively, review its performance against this Charter annually, and
- assess its performance against the following measures, for example:
  - Board impact:
    - Does the Board provide effective leadership and guidance on key strategic and performance issues?
    - Does the Board operate well as a team?
    - Do board members question and debate issues when matters of concern are raised?
    - Is the Chairperson effective in fulfilling the role?

- Governance framework:
  - Does the Board operate within a coherent and consistent governance framework?
  - Are there regular reviews of the governance framework to test its effectiveness?
  - Does the Board acquit its responsibilities in relation to oversight of the performance of the organisation?

Implementation of the intent of this Charter will be facilitated through the annual Board Work Plan and administered through the Company Secretary.

#### **14. Reporting**

The Minutes of each meeting of the AIFST Board are the official record of the decisions made by the AIFST Board at that meeting. The minutes will be objective, with a separate action list maintained. These will be maintained by the Company Secretary. A list of all board decisions will be kept going forward. The Board will communicate to members via the MD/CEO as required.

#### **15. Secretariat**

The Company Secretary will liaise with the Chair in regard to the meeting agenda. The Company Secretary will circulate the agenda and meeting papers to Board members one week prior to each meeting or teleconference.

The Company Secretary will provide the draft minutes of the previous meeting to the Board for clearance within one week of a meeting or teleconference. The Minutes are included in the package of papers provided in preparation for each meeting or teleconference.

#### **16. Cash Reserves**

The Board will set a wind-up reserve level of cash to be held by the AIFST that will represent the minimum amount required to allow an orderly winding up of the Company. This amount will be reviewed by the Board on a six-monthly basis.

#### **17. Induction**

New Board members undergo an induction program prior to attending their first board meeting during which they will receive relevant information and briefings on their appointment to assist them to meet their Board responsibilities.

#### **18. Review of Charter**

Every two years the Board will review this Charter.

Any substantive changes to the charter will be recommended to the Board by the Nomination and Remuneration Committee for formal approval.

## Revision History

Version	Date Created	Date Approved	Changes Made	By Whom
1.0	January 2015	20 February 2015	Initial version	Board
2.0	5 May 2016	June 2016	General Update in line with operations	Georgie Aley, CEO
3.0	October 2018	06 December 2018	General update	Fiona Fleming, MD/CEO