

Board Charter



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Board Charter

Introduction

This Charter sets out the roles and responsibilities of the Board, individual Directors, the Chair, the Chief Executive Officer and the Company Secretary of Hort Innovation (the 'Company').

In discharging their responsibilities, Directors are bound by the Corporations Act, the Constitution, the Deed of Agreement 2020-2030 with the Government, any Hort Innovation Appointment Letter and all Charters, policies and codes of conduct in force from time to time, including but not limited to this Board Charter, all Board Committee Charters and the Code of Conduct and Business Ethics document.

The Objects of the Company are set out in the Constitution.

Functions of the Board and general powers of the Board

The functions of the Board and the general powers of the Board are set out in the Constitution.

Under the Constitution, the principal functions of the Board are:

- a) to approve strategies and policies to be followed by the Company
- b) to ensure the proper, efficient and effective performance of the Company's functions.

The Board has the power to do all things necessary or convenient to be done for or in connection with the performance of its functions.

Anything done in the name of, or on behalf of, the Company by the Board, or with the authority of the Board, is taken to have been done by the Company.

Risk management

The Company's Risk Management Policy & Framework underpins the management of risk at the Company including how risks are identified, assessed and mitigated. The Board must:

- a) oversee the establishment and implementation of risk management of the Company by regular review and endorsement of the policy/framework including setting risk appetite and tolerances
- b) review regular reports from the Audit & Risk Committee, management, and auditors to monitor that whether effective risk management and controls have been implemented in accordance with this policy/framework
- c) ensure Directors can alert the executive leadership team and the Board, as appropriate, to any key risks and opportunities.

The role and responsibilities of the Board

The Board of the Company has the responsibility and authority to do all things that may be necessary in order to achieve the Objects of the Company. The Board is responsible for, and has the authority to determine, all matters relating to the corporate governance and policies of the Company and has oversight of its management and operations. The Board must provide leadership, direction and oversight to the Company.

In carrying out its overall role, the Board has a number of key functions which include, and may be delegated, if considered appropriate to Board Committees:

- a) overseeing the effectiveness of communication with key stakeholders
- b) defining the Company's purpose
- c) approving the statement of values which underpin the desired culture
- d) promoting and monitoring corporate culture in a way that enlivens the organisation's key values and signature behaviours with a view to "setting the tone from the top"
- e) taking all reasonable steps to ensure that the Company's financial and other internal reporting mechanisms result in adequate, accurate and timely information being provided to the Board
- f) satisfying itself in relation to financial and non-financial risks
- g) challenging management and holding it to account
- h) approving any framework or policy for setting remuneration
- i) setting the strategic direction of the Company
- j) reviewing progress on strategic issues
- k) determining key policies that impact on the Company's activities
- l) approving major strategic alliances, contracts, and capital expenditure
- m) setting the Company's annual and longer-term goals and targets
- n) approving major operating and business plans
- o) approving delegations of authority within the Company
- p) monitoring organisational performance against targets and the annual budget
- q) establishing, and determining the powers of the Committees of the Board
- r) appointing, and setting the terms and conditions of the appointment of the Chief Executive Officer
- s) biennially reviewing authority delegations
- t) reviewing and approving the Company's internal compliance and control systems and codes of conduct and taking all reasonable steps to ensure that the Company operates openly and ethically
- u) reviewing the principal operational and other risks faced by the Company that have the potential to have a material impact on the Company and taking all reasonable steps to ensure that appropriate internal control and monitoring systems are put in place by management to manage and, to the extent possible, reduce the impact of these risks
- v) recommending the appointment and removal of the Company Secretary to the Board.

Board composition

The Board's composition is determined in accordance with the Company's constitution which specifies that the Board shall comprise independent, non-executive Directors. The Constitution permits a minimum of three and a maximum of nine Directors, including the Chair. Rules relating to the election, appointment, terms of office, termination, remuneration, expense reimbursement and required skills and experience are all set out in the Constitution. A majority of Directors eligible to vote will form a quorum.

The role and responsibilities of individual Directors

The Directors of the Company have significant responsibilities and duties imposed by the legal framework governing the Company.

The Board is accountable to members for the overall direction, policies and performance of the Company, while the Chief Executive Officer is responsible for the day-to-day management of the business in accordance with the directions and policies of the Board.

The specific responsibilities of the individual Directors include:

- a) fulfilling their fiduciary duties imposed by the relevant legal framework governing the Company
- b) ensuring that the Company conducts its affairs in a legal manner at all times
- c) committing sufficient time, including preparation for, and attendance at, Board and other meetings
- d) conducting themselves in a proper manner according to the Company's Code of Conduct and Business Ethics
- e) maintaining an understanding of the key issues of the Company and horticulture industry
- f) contributing to rigorous but constructive debate
- g) undertaking service on Board Committees
- h) continuing Director personal development.

The Directors have a range of duties relating to the accounts and the financial position of the Company. They include compliance with the accounting rules, the submission of prescribed reports, not making

misleading statements, avoiding fraud and other wrong-doings and ensuring that the Company is able to pay its debts as and when they fall due.

The role and responsibilities of the Chair

The Chair provides leadership to the Board, promotes its cohesiveness, effectiveness and sound functioning, and plays an important role in developing good relationships between the Members, Ministers, the Board and Chief Executive Officer. In the Chair's absence, the Deputy Chair will perform the roles and responsibilities set out in this section. The Chair of the Board may not be the Chair of the Audit & Risk Committee.

In addition to the duty of chairing Board meetings the Chair has the following responsibilities:

- a) ensuring the Board provides leadership and vision to the Company
- b) ensuring the Board participates in setting the aims, strategies and policies of the Company
- c) ensuring there is adequate promotion, pursuit, monitoring and performance of the goals, key values and signature behaviours of the Company
- d) ensuring the Board has the information required for effective decision making, including in relation to key issues
- e) ensuring that the administrative tasks such as the circulation of the Board papers are carried out in a timely manner
- f) ensuring the Board meetings facilitate the effective contribution of Directors
- g) guiding Board deliberations, free of undue bias

- h) developing a close working relationship with the Chief Executive Officer and providing a conduit between the Chief Executive Officer and the Board
- i) supporting the ongoing development of the Board as a whole and of Directors individually, including but not limited to induction and ongoing training.

The role and responsibilities of the Chief Executive Officer

The Company provides for a Chief Executive Officer to be appointed by the Board and to hold office on such terms and conditions, as to remuneration or otherwise, as the Board determines. The roles and responsibilities of the Chief Executive Officer are as the Board determines from time to time.

The Chief Executive Officer is supported in the exercise of these responsibilities by the executive leadership team.

The role and responsibilities of the Company Secretary

The Company Secretary reports to the Chair on Board matters and to the Chief Executive Officer on operational issues.

The Company Secretary's responsibilities include:

- a) organising Board and Board Committee meetings and preparing agendas, papers and minutes
- b) providing support to the Chair, the Directors and the Committees
- c) monitoring completion of action items arising from Board and Board Committee meetings
- d) ensuring compliance with relevant responsibilities under the Corporations Act 2001
- e) providing governance, administrative, technical and other support to the Directors, including advice on issues related to director liability.

The Company Secretary will be responsible for circulating Board papers prior to each meeting. If a Board paper relates to a matter in which there is a known conflict of interest with respect to a particular Director, then the relevant Board paper will be removed from the papers sent to that Director by the Company Secretary on the instructions of the Chair. If the Chair has a conflict of interest, then the Board will appoint another Director to make the decision with respect to sending the Board paper to the Chair.

All Directors will have direct access to the Company Secretary. The Company Secretary may seek legal advice to support advice provided to the Board.

The Company provides for a Secretary of the Company to be appointed by the Board and to hold office on such terms and conditions, as to remuneration or otherwise, as the Directors determine.

Committees

The Board will be assisted in carrying out its roles by the Board Committees.

The Board has established an Investment Committee, an Audit & Risk Committee and a People & Performance Committee. The Board may establish additional committees and disband existing Committees as required and as the Board sees fit for good corporate governance.

All directors will receive minutes of each Committee meeting which are included in the next Board meeting pack for noting and may attend meetings of these Committees regardless of whether they are a member. The Charter of the Committees of the Board further sets out the roles, responsibilities, composition and membership of the Committees. Further, each Committee has its own individual Charter.

Review of Board performance

The Board will conduct, on a regular basis, a comprehensive review of its performance as a Board. The method and extent of that review is for the Board to determine from time to time.

Review of Charters

The Board is responsible for the regular review of this Charter and the Charters of all Board Committees to ensure that they remain consistent with the Board's objectives and responsibilities and are in keeping with relevant standards of good corporate governance. This Charter will be reviewed annually.

Confidentiality

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.

Conflicts of interest

Directors must act in the best interests of the Company and exercise unfettered and independent judgment. Directors must take all reasonable steps to avoid actual, potential or perceived conflicts of interests. Directors must disclose and deal with actual, potential or perceived conflicts of interest in accordance with the Company's relevant policies and procedures.

Access to independent professional advice

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

Resolutions without meetings

Decisions can be made by circular resolutions without a meeting but must be decided unanimously by those Directors eligible to vote.

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