



AUSTRALIAN EGGS BOARD CHARTER

Introduction

This document is intended as a guide to members of the Australian Eggs Limited (**Australian Eggs**) Board of directors (**Board**) outlining their obligation, responsibilities and entitlements.

The operation and management of Australian Eggs and the Board are subject to current Australian laws and, in particular, to provisions within the:

- Corporation Act 2001 (**Corporations Law**);
- Australian Eggs' Constitution (**Constitution**);
- Statutory Funding Agreement between the Commonwealth of Australia and Australian Eggs (**SFA**); and
- Egg Industry Service Provision Act 2002 (**EISPA**).

Australian Eggs Vision

Proactively support egg farmers to increase egg consumption and ensure industry sustainability.

The Role of the Board

The Board is responsible for ensuring that, consistent with the Constitution, the SFA and the EISPA, the management of Australian Eggs is conducted in a manner that ensures the long term benefit of levy paying egg farmers and other stakeholders.

The Board's responsibilities are to ensure:

- value is created for stakeholders through the appropriate development and implementation of the Australian Eggs Strategic Plan;
- leadership and resources for the Company; and
- the performance of Australian Eggs is monitored and improved.

To assist the Board in discharging this responsibility the Board:

- delegates various powers and duties to the Managing Director or CEO and the staff of Australian Eggs (**Management**); and
- may establish committees (**Board Committees**).



Delegations to Management

Subject to the Corporations Law, the Board delegates all of its responsibilities to Management except matters reserved for the Board to ensure appropriate oversight.

The matters reserved for the Board are:

- delegations of authority, comprising approval of:
 - the Board Charter; and
 - the Board Committee Charter.
- strategy, comprising:
 - approval of the Strategic Plan and Annual Operating Plan;
 - ensuring alignment between the activities of Australian Eggs and the Strategic Plan;
- risk, comprising approval of:
 - risk appetite of Australian Eggs;
 - processes to identify, assess and monitor risk; and
 - insurance;
- matters concerning governance comprising approval of:
 - the Policy Manual to ensure Australian Eggs acts legally and responsibly on all matters and that the highest ethical standards are maintained;
 - the Risk Management Plan;
 - the Fraud Control Plan;
 - the IP Management Plan;
 - disclosure of conflicts of interest; and
 - reports required by law.
- performance monitoring, comprising the assessment of:
 - Australian Eggs performance;
 - Managing Director or CEO performance; and
 - Board Performance; and
 - Board Committee performance.
- financial matters, comprising approval of:
 - budgets and reserves policies;
 - annual accounts and directors reports;
 - accounting policies;
 - internal audit plan;
 - borrowing or giving security over assets;
 - treasury policies; and
 - the acceptance of audit reports.
- strategic appointments comprising:
 - the appointment of the Managing Director or CEO;
 - the appointment of the Chair and Deputy Chair;
 - appointments to Board Committees;



- suggestions for nomination of directors for election by members; and
- Board and Managing Director or CEO succession plans;
- specific operational issues comprising approval of:
 - overseas visits by Australian Eggs Management;
 - major transactions not included in the Annual Operating Plan or outside the ordinary course of Australian Eggs business;
 - actions or transactions which raise significant issues of legality or propriety;
 - donations and sponsorships above approved limits.

Committees of the Board

The Board may confer upon a committee any powers provided to the Board by the Constitution, within the limits of the Corporations Law.

The purpose of the Board Committees is to deliberate on certain matters and act in those areas on behalf of the Board. Two Board Committees currently exist:

- the Audit & Risk Committee which will meet four times a year and on such other occasions as deemed necessary by the Chair; and
- the Nominations Committee which will meet only as required.

The Committees of the Board are afforded the power to make binding resolutions on behalf of the Board where:

- those deliberations are within the scope of the Committee set out in the Board Committees Charter; and
- a director has not requested that a matter considered by a Committee is also considered for approval by the Board.

Where a committee acts outside of its scope or function, its deliberations are regarded as advisory only for Board consideration and approval. Such deliberations will be presented to the Board for adoption.

Composition of the Board

As per Rule 13.1 (c) of the Constitution, the Board is to consist of up to a maximum of seven directors. Up to four of the Directors' position will be Elected Director positions. Three of the Directors' positions will be Specialist Director positions (one of whom may be the Managing Director).

The rules relating to the election, appointment, terms of office, termination, remuneration, expense reimbursement and required skills and experience are set out in Rule 13 of the Constitution.



Where a specialist director has served three consecutive terms of two years a vacancy will occur for the purposes of section 13.3(c)(iii) of the Constitution.

Specialist and elected directors may serve a maximum of five consecutive terms. A director may serve more than five terms provided each period of service is not more than five consecutive terms.

Board Succession Planning

To ensure the optimal composition of the Board, the Board will conduct an annual Board succession assessment to determine the extent to which governance requirements are being met and any additional criteria that would drive Board performance going forward.

This assessment will be conducted with reference to the expiry of nominated and specialist director terms in that calendar year and any notice of an intention the step down from the Board.

Based on this candidate criteria and stakeholder feedback on Australian Eggs and Board performance, potential candidates will be identified.

The Chair will engage with any potential candidates to encourage them to consider participation in Board appointments in the future.

Australian Eggs Chair

The Board must elect a Chair and Deputy Chair and determine the period for which each is to hold office. If the Chair and Deputy Chair is not present at a specified meeting the Board may choose a director to chair the meeting.

The Chair is primarily responsible for the Board's operation as a team, providing leadership and ensuring each director provides input to the performance of the Board's responsibilities.

The Chair will be the spokesperson for the Company at general meetings, will review and mentor the Managing Director or CEO and is responsible for initiating the Board performance review process.

Company Secretary

The Company Secretary is the Company's Public Officer. The Company Secretary is not a Board member but may attend meetings of the Board unless directors request otherwise.

The responsibilities of the Company Secretary include to:



- ensure all necessary returns are lodged with ASIC within the correct timeframe;
- organise embers as required under the Corporations Law and the Constitution;
- maintain a register of the Company's Board minutes, resolutions and policies;
- liaise with the Managing Director or CEO and Chair in respect to the timely preparation of Board agendas and papers;
- work closely with Australian Eggs solicitors and with external regulatory bodies on legal and corporate matters; and
- work closely with the Managing Director or CEO on Board and Corporate Governance issues.

Board member induction

Upon appointment a new director will undergo an orientation program including meeting other members of the Board and Australian Eggs senior managers.

Prior to attendance at their first Board meeting the new Board member will receive a copy of key corporate documents including:

- the Constitution;
- the most recent Australian Eggs Annual Report;
- the current Annual Operating Plan;
- the Australian Eggs Strategic Plan;
- the Funding Contract;
- the EISPA;
- the Australian Eggs Risk Management Plan;
- the Australian Eggs Fraud Control Plan;
- the Australian Eggs IP Management Plan;
- the Australian Eggs Policy Manual;
- the current Australian Eggs Board and Committee calendars
- the Australian Eggs Board Charter, and
- the Australian Eggs Committee Charter.