

# Director Selection Committee Charter

## Control

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## 1. Context

- 1.1 Section 22 of the Constitution deals with Board committees.
- 1.2 Rule 22.2 of the Constitution requires the Board to establish a Director Selection Committee.
- 1.3 Rule 27 of the Constitution details the role, election to membership and processes of the Director Selection Committee.
- 1.4 Rules 25, 26 and 28 of the Constitution specify the number of, qualifications for and process for election of Directors.

## 2. Role

- 2.1 The Director Selection Committee ("**Committee**") is a committee of the Board of Sugar Research Australia Limited.
- 2.2 The Committee's role is to nominate persons for election or appointment as Chairperson and Directors of SRA.

## 3. Functions and accountabilities

- 3.1 The Committee is responsible for:
  - (a) identifying the number of persons needed for election as Directors in a particular year and identifying if they should be appointed for a term of 3 years or less;
  - (b) ensuring a field of candidates from which to choose nominees;
  - (c) choosing from the available candidates those persons who will in its view best ensure the Board collectively has an appropriate balance of skills and experience and nominating those persons for election as Directors;
  - (d) if the Board Chairperson is a retiring Director, nominating a person with appropriate skills for appointment as Board Chairperson.

## 4. Authority

- 4.1 The Committee may take any action it thinks appropriate to advertise vacancies and use a transparent search process to identify persons suitable for election or re-election as Directors.
- 4.2 Unless expressly delegated by the Board, the Committee does not have any decision making powers and performs an advisory role only, making recommendations:
  - (a) to the Board and Members regarding the election of Directors; and
  - (b) to the Board regarding the appointment of the Board Chairperson.

## 5. Membership

- 5.1 The Committee Chair is appointed by the Board and members are appointed by the Board following nominations from the Industry Peak Organisation in advance of the Annual General Meeting each year.

- 5.2 The Board will notify all Member Representatives of the opportunity to nominate for election to the Director Selection Committee.
- 5.3 The Committee comprises 5 members (none of whom may be members of the SRA Board) as follows:
- (a) an independent Chair appointed by the Board;
  - (b) 2 Committee members elected from nominated Group G Member Representatives by the Industry Peak Organisation; and
  - (c) 2 Committee members elected from nominated Group M Member Representatives by the Industry Peak Organisation.
- 5.4 The Chair must not be:
- (a) a Member Representative;
  - (b) a Levy Payer;
  - (c) a member of the SRA Board;
  - (d) an employee of a Levy Payer; or
  - (e) an employee of an Industry Representative Organisation.
- 5.5 The Director Selection Committee members hold office for a term commencing on the date of appointment in a particular year and terminating on the date of the next Annual General Meeting at which their report is submitted in accordance with clause 9.4.
- 5.6 If a casual vacancy arises for a Committee member, the Board must appoint another person elected in accordance with paragraph 5.3 (as it applies to the particular vacancy) to fill that vacancy.
- 5.7 The Director Selection Committee must be assisted by an independent individual or organisation specialising in the identification, selection and recruitment of board directors.
- 5.8 Committee members are not remunerated but may be reimbursed for their reasonable expenses.

## **6. Meetings**

### **Frequency**

- 6.1 The Committee must meet at least once per year.

### **Chair**

- 6.2 If the Committee Chair is absent or unable or unwilling to chair a Committee meeting, the Committee members present may appoint a chair for that meeting.

### **Quorum**

- 6.3 A quorum for a Committee meeting is 3 members.

## Invitees

6.4 The Committee may invite people to attend Committee meetings as it sees fit.

## Decisions

6.5 Any matters requiring decision by the Committee will be decided by consensus with no casting vote by the independent DSC Chair.

6.6 Invitees to Committee meetings have no right to participate in consensus decisions.

## Proceedings

6.7 Rule 27.6 of the Constitution provides that, subject to the Constitution, the Committee is to regulate its proceedings:

- (a) in accordance with the Board's directions;
- (b) subject to those directions, so far as practicable, in accordance with the provisions of the Constitution and the *Corporations Act 2001* (Cth) relating to Board meetings; and
- (c) subject to those directions and provisions, as it determines.

## 7. Conflicts of Interest

7.1 The Declarations of Interest Policy and the Code of Conduct for Office Holders apply to all Committee members.

## 8. Secretariat

8.1 The independent organisation appointed pursuant to clause 5.7 to assist the Committee, in consultation with the Committee Chair, will assist the Committee with the administration of its meetings and reporting duties, including, as required:

- (a) preparing and sending notices of meetings and agenda to Committee members;
- (b) preparing and distributing Committee papers; and
- (c) preparing minutes of Committee meetings.

8.2 The Company Secretary will assist the independent organisation, Committee Chair and other Committee members as and when required.

## 9. Reporting

### Board Composition Matrix

9.1 Annually, and prior to the establishment of the Committee under paragraph 5.1, the Board will establish or update a Board Composition Matrix outlining the skills and experiences required by Directors in order to ensure that the Board as a whole has a balance of appropriate skills and experiences, having regard to the nature of SRA's business and affairs and in accordance with Rule 26.1 of the Constitution.

9.2 The Board Composition Matrix will also be published on SRA's website.

9.3 Upon establishment of the Committee under paragraph 5.1, the Board will provide the Committee with the Board Composition Matrix.

## Reporting to Board

9.4 The Committee must report to the Board within 4 months of the Committee being established under paragraph 5.1 and not less than 2 months prior to the next Annual General Meeting.

9.5 The Committee's Report must:

- (a) nominate 1 person for election to each vacant Director position;
- (b) for each person nominated under subparagraph (a) above, specify:
  - (i) the person's qualifications and experience;
  - (ii) how the election or appointment of that person will result in the Board having an appropriate balance of skills and experience as set out in the Board Composition Matrix;
- (c) if the Board Chairperson is a retiring Director, nominate 1 person for appointment as Board Chairperson;

*For the avoidance of doubt, the Committee may nominate a continuing Director or a person nominated for election under subparagraph (a) above as the person to be appointed as Board Chairperson.*

- (d) if a person is nominated under subparagraph (c) above, specify:
  - (i) the person's qualifications and experience;
  - (ii) why that person has been nominated for appointment as Board Chairperson.

9.6 In selecting its nominees and preparing the Committee's Report, the Committee must ensure compliance with Rule 25.1 of the Constitution regarding the number of Directors and Rule 26.1 of the Constitution regarding qualifications for Directors.

9.7 An external evaluation of the SRA Board Skills and Composition Matrix should be conducted every 5 years with findings and recommendations presented in a report to the Board.

## Board request for further information

9.8 If the Board asks the Committee for further information in relation to the Committee's Report, the Committee must comply with that request.

## Reporting to Members

9.9 The Committee Chair must provide the Committee's Report to the Company Secretary immediately after providing it to the Board.

9.10 The outcome of the Committee's Report must be tabled at the Annual General Meeting together with the nominees put forth for election by the Members.

## Annual Report

9.11 Rule 22.6 of the Constitution requires the Board to include in the annual report for each financial year a report on the operations of the Committee.

## **10. Review**

10.1 The Board must review this Charter at least once every 3 years.