



CHARTER OF CORPORATE GOVERNANCE

June 2020

Document Control

Policy Title	Charter of Corporate Governance		
Approved Date	17 November 2016	Board Reference	2016-07
Amended Date	8 November 2018	Board Reference	2018-06
Amended Date	23 June 2020	Board Reference	2020-05
Review by	Board	Review Frequency	Triennial

1. Purpose	3
1.1 Governance Statement	3
2. General Statement of Risk Appetite	3
3. CRDC’s Purpose and Values	4
3.1 Our Vision	4
3.2 Our Purpose	4
3.3 Values	4
4. Roles, Powers and Responsibilities	4
4.1 Governing Laws	4
4.2 Constitution	5
4.3 Skills Required on the Board	5
4.4 Conduct of Board Members	5
4.5 Roles	7
5. Delegations of Authority	11
6. Board Processes	11
6.1 Board Meetings	11
6.2 Minutes	11
6.3 Confidentiality	12
6.4 Decisions	12
6.5 Quorum	12
6.6 Access	12
6.7 Director Remuneration	12
6.8 Expenses	13
6.9 Travel Insurance	13
6.10 Review of Performance	13
7. Board Committees	13
7.1 Roles and responsibilities	13
7.2 Authority	17
7.3 Composition and Tenure	17
7.4 Reporting	18
7.5 Meetings, Attendance and Quorum	18
7.6 Administrative Arrangements	18
8. Variation of Charter	19

1. Purpose

This Charter of Corporate Governance outlines the corporate governance framework of the Cotton Research and Development Corporation (CRDC or the Corporation).

The CRDC began operations in 1990 under the *Primary Industries Research and Development (PIRD) Act 1989* to enhance the performance of the Australian cotton industry through investing in research and development, and its application.

The CRDC is a corporate Commonwealth entity and operates within the Commonwealth legislative, regulatory and financial structure. The charter defines the roles and responsibilities of the Board, and codifies Board operating practices and procedures for the benefit of Board members and management to allow them to best manage the requirements of the Corporation.

1.1 Governance Statement

The CRDC's Board is committed to high standards of corporate governance that ensure the Corporation meets its obligations to government and industry stakeholders, and effectively and efficiently manages resources to achieve the Corporation's outcome and strategic plan goals.

The Corporation's governance framework consists of this Charter of Corporate Governance, policies and supporting plans, registers and procedures which fulfil the Corporation's legislated obligations. More broadly the Board's approach to corporate governance is based on a set of guiding principles and code of conduct that enunciate the values, which underlie its decisions, actions and relationships.

The conduct of Board meetings, decision making, director remuneration, communication protocols and Board performance assessment are detailed in this Charter of Corporate Governance. To facilitate the work of the Board three committees have been established to deal in detail with matters of Audit, Remuneration, Intellectual Property and Commercialisation. Guidance for these Board committees is also contained in this Charter of Corporate Governance.

2. General Statement of Risk Appetite

CRDC faces a broad range of risks reflecting its responsibilities as an Australian Government statutory Research and Development Corporation. These risks include those resulting from its responsibilities in meeting the expectations of stakeholders, strategically investing in RD&E for outcomes and financial stability as well as its day-to-day operational activities.

The risks arising from the CRDC's responsibilities can be significant. These risks are managed through the CRDC Risk Management Framework Policy and detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff, and accountability to stakeholders.



CRDC recognises that the outcomes of R&D are not certain and it is not possible or necessarily desirable to eliminate some of the risks inherent in these activities. Acceptance of some risk is necessary to strategically foster innovation within industry practices. CRDC manages risk in achieving research outcomes through its procurement processes and Portfolio Balance, which includes a range of investments across extension activities, applied, basic, and blue sky research.

CRDC is also exposed to some significant financial risks, due to its dependence on revenue based on annual cotton production which is subject to volatility in water availability for its growth. CRDC acknowledges these risks are large and manages them prudently in accordance with its Financial Reserves Policy.

In terms of operational issues, CRDC has a low appetite for risk and makes resources available to control operational risks to acceptable levels.

3. CRDC's Purpose and Values

3.1 Our Vision

CRDC: Powering the success of Australian cotton through world-leading RD&E

3.2 Our Purpose

Investing in world-leading RD&E to benefit Australia's dynamic cotton industry.

3.3 Values

The following values underlie our decisions, actions and relationships.

- a) *Boldness – willingness to explore new horizons and take risks with confidence and courage.*
- b) *Collaborative – working co-operatively to achieve shared goals*
- c) *Integrity – being honest and ethical*
- d) *Respectful – due regard for the feelings, wishes or rights of others*
- e) *Accountable – holding self and others responsible for delivering outcomes*

4. Roles, Powers and Responsibilities

4.1 Governing Laws

CRDC was established under the *PIRD Act 1989*. The Objects of the *PIRD Act 1989* are set out in s.3.

The setting and collection of levies on the cotton industry is enabled by the *Cotton Levy Act 1982* and the *Primary Industries Levies and Collections Act 1991*.

The CRDC is a body corporate, and is subject to the accountability and reporting requirements set out in the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

4.2 Constitution

The Structure of the Board is governed by the provisions of the *PIRD Act 1989*.

- a) The Chair is appointed by the Minister for a maximum of three years with eligibility for reappointment;
- b) The Deputy Chair is appointed by the Minister from the nominated Directors of the Board;
- c) The Executive Director is appointed by the Board;
- d) Between 5 and 7 other Directors are appointed by the Minister on the nomination of a Selection Committee formed under the Act for terms of up to three years;
- e) A person who is a member of the executive of Cotton Australia must not be a Director.

4.3 Skills Required on the Board

The *PIRD Act 1989* requires that there be an appropriate balance of expertise in the areas of public administration, commodity production, processing, marketing, natural resource conservation and management, science, technology and technology transfer, environmental and ecological matters, economics, administration of R&D, finance, business management and communication.

4.4 Conduct of Board Members

The Directors of the CRDC consider there are certain fundamental ethical values that underpin their role as Directors of the Corporation and as members of its Board and Committees.

Directors will therefore:

- a) Act with integrity;
- b) Have a duty to disclose any matters that represent or could lead to a conflict of interest with the business of the Corporation.
- c) Work in a spirit of cooperation and in the best interests of the Corporation. Abide by majority decisions.
- d) Respect the separate roles and responsibilities of the Board and management;
- e) Develop an understanding of the role and functions of the Corporation and the cotton industry and communities.
- f) Be diligent and continuously strive to improve the Board's performance.
- g) Comply with the spirit and the letter of the laws under which the Corporation operates;
- h) Develop an empathy for the communities the Corporation serves;
- i) Behave in a manner that reflects well on the Corporation.

In addition, the Directors must abide by their duties as set out in the *PGPA Act*. See the following:

- *PGPA Act* 2013, Division 2 – Accountable Authorities, sections 15-20A
- *PGPA Act* 2013, Division 3 – Officials, sections 25–29.

Conflicts of Interest

Directors have a duty to disclose matters that represent a conflict of interest or matters that may give rise to a conflict of interest from time to time.

CRDC will table at each Board meeting a standing notice of conflicts of interest disclosed by Directors in accordance with section 29 of the *PGPA Act*, Division 2 of the PGPA Rules and CRDC's conflict of interest policy.

The Chair or any Directors may at any time raise matters of conflict for discussion and a ruling by the Board.

The following provisions currently apply:

- a) A Director may take part in discussions involving the possible conflicting interests unless the Board rules that the Director absent her or himself.
- b) A Director is required to absent him or herself for voting involving the conflicting interests in accordance with the requirements of the *PGPA Act* and the PGPA Rules.
- c) The Board may rule that a Director absent herself/himself according to the requirements of the Act.
- d) The disclosure of interests and the exit and entry of the Director is minuted.

Assistance for Directors

Any Director may obtain independent legal and professional advice, and resources and training, at the CRDC's expense to enable them to discharge their duties effectively, subject to prior approval by the Chair.

Legal and professional advice may include matters relating to (i) legislative and other obligations, (ii) technical research matters and (iii) general skill development to ensure there is a sufficient mix of financial, operational and compliance skills amongst the Board.

The approval of the Chair to pay for independent information and advice will not be unreasonably withheld.

Procedure in relation to legislative obligations and technical matters

Director(s) are required to seek prior approval from the Chair in consultation with the Board and Executive Director, and any request should outline the need for, and estimated cost of, independent advice.

Where it is appropriate the Chair, at their discretion, will consult with the Board.

If approval is not granted, the Chair will provide an explanation to the applying Director(s) and if appropriate notify all Directors

Procedure in relation to skill development

Where skills gaps are identified, Director(s) will be provided with resources and training to address them.

Director(s) who wish to undertake a development activity at CRDC's expense should seek approval from the Chair.

Public Relations

Directors are encouraged to support the development of a business culture that recognises the importance of communication in ensuring our stakeholders are well informed of:

- a) the activities of the corporation;
- b) the strengths of the RDC model;
- c) the outcomes of CRDC funded research and return on investment,
- d) and proactively supports the extension and adoption of research findings and innovations.

CRDC has established media and social media policies that provide guidance to Directors on public communications.

Director Insurance

A Director has the right to the ability to be insured against specific risks of being a Director. In regard to insurance, CRDC will take out Directors & Officers insurance and provide each Director with a copy of the policy and any changes to it.

4.5 Roles

Role of the Board

In general the Board is responsible for and has the authority to determine all matters relating to the policies, practices, management and operations of the CRDC. It is required to do all things that may be necessary to the successful operations of the CRDC.

Without limiting this general role of the Board, its specific or principal functions and responsibilities are to carry out the objectives of the CRDC. It has the final responsibility for:

- a) Taking account of advice given by Cotton Australia and the Australian Government;
- b) Setting the goals of CRDC, including the five-year Strategic R&D Plan and any other short, medium and long term objectives;
- c) Ensuring that CRDC is meeting its primary functions under the PIRD Act 1989;

- d) Ensuring the CRDC meets the governance, performance, accountability and management of public resources provisions of the PGPA Act 2013;
- e) Guiding and approving the overall strategic direction of CRDC;
- f) Ensuring appropriate resources and staffing are available to achieve the objectives;
- g) Determining all policies governing the operations of CRDC;
- h) Appointing and approving the terms and condition of the appointment of the Executive Director (ED);
- i) Reviewing and providing feedback on the performance of the ED;
- j) Approving the terms and conditions of senior executives through the Remuneration Committee;
- k) Establishing and determining the powers and functions of the committees of the Board, including but not limited to the Audit and the Remuneration Committee;
- l) Approving financial and non-financial performance plans and reporting;
- m) Approving the financial accounts;
- n) Approving the Annual Report;
- o) Approving the material aspects of the Annual Operational Plan;
- p) Approving and monitoring the annual budget and long term budgets;
- q) Approving all financial matters within delegations;
- r) Approving borrowings;
- s) Approving Intellectual Property and Commercialisation policy and procedures;
- t) Approving CRDC entry or exit from corporate structures;
- u) Reviewing the annual progress and performance of CRDC in meeting the objectives of the CRDC, including reporting the outcome of such reviews;
- v) Ensuring the impact of CRDC research investment is measured and reported;
- w) Overseeing risk management, internal control, codes of conduct and legal compliance;
- x) Ensuring staff training and development;
- y) Ensuring a commitment to Work, Health & Safety (WHS).

Role of the Chair

The Chair will:

- a) Chair Board meetings. If the Chair is not present within fifteen [15] minutes after the time appointed for holding a meeting, the deputy Chair will assume this role; if the deputy Chair is not present a director chosen by the majority of directors present will assume this role;
- b) Establish the agenda for Board meetings in consultation with the Executive Director (ED);
- c) Be the spokesman for CRDC in reporting to Cotton Australia and the Australian Government;
- d) Be the first point of contact between the Board and the ED;
- e) Receive relevant and timely reports from the ED on all matters which may be of interest to Directors;
- f) Maintain communication with the ED and other senior officers as deemed necessary to be informed of important issues;
- g) Provide mentoring for the ED;

- h) Chair the ED performance review process through the Remuneration Committee;
- i) Ensure that Board and Director performance is reviewed on a timely basis;
- j) Keep a confidential records of “board only meetings not involving staff”;
- k) Approve the ED’s business credit card expenses, reimbursement for business related expenses or compensation outside of normal fortnightly remuneration;
- l) Represent the CRDC at the annual meeting of rural R&D Corporation Chairs, and on any other bodies as required from time to time;
- m) Review draft minutes to ensure they properly reflect Board decisions and sign approved minutes;
- n) Other appropriate activities as required.

Role of the Deputy Chair

The role of the Deputy Chair is to assist the Chair by:

- a) representing the Board at meetings when the Chair is unavailable;
- b) chairing meetings in their absence; and
- c) supporting as otherwise requested.

Role of the Executive Director

The Executive Director (ED) is the executive head of the organisation. The ED is accountable to the Board of the CRDC, through the Corporation’s Chair. The ED conducts the affairs of CRDC in accordance with the policies of the Board and the relevant Acts of the Government of Australia.

Terms of reference are:

Corporate Management

- a) Lead and be responsible for the timely preparation and implementation of CRDC’s five year Strategic R&D Plan, Annual Operational Plan (AOP), Annual Report and associated activities. Monitor Key Performance Indicators to ensure the objectives are being met and initiate corrective action if this is required.
- b) Assist the Board in the development, and be responsible for implementation, of CRDC policy ensuring that this reflects best practice and good corporate governance.
- c) Manage staff and contractors through effective leadership, delegation, and supervision to achieve high measurable levels of performance. Review performance of all staff annually and set salaries according to Board policy.
- d) Implement sound risk management to all aspects of CRDC’s activities and investments – including WHS.
- e) Manage CRDC’s budget and finances in accordance with its policy, under sound financial principles, and in line with the requirements and expectations of the Australian Government.

- f) Ensure the proper preparation of financial accounts and operational information is provided to a suitably qualified external auditor, the Audit Committee and the Board. Ensure that the annual audit report is distributed to the Board in a timely manner. Attend (but not vote at) meetings of the Audit Committee, if and when required.
- g) Generally manage the affairs of CRDC, including: preparation of reports and material for the Chair and the Board; responding to and satisfying the needs of stakeholders; generating appropriate publicity and communication; properly implementing research agreements; initiating activities to enhance and add value to the research programs; and providing leadership in the pursuit of continuous improvement.
- h) Ensure that CRDC meets all legal requirements, including the provisions of the PIRD Act 1989 and the PGPA Act 2013.
- i) Is a Director of the Board.

Responsibilities to Major Stakeholders

- a) Maintain timely and effective communication and liaison with both major stakeholders.
- b) Respond to changes in Government priorities and policy and ensure that the needs and expectations of Government are satisfied. Ensure that stakeholders' contributions to R&D are acknowledged.
- c) Maintain close liaison with Cotton Australia to fully understand the range of industry views and priorities, to integrate these with the needs of the Government stakeholder; and to ensure that research results are disseminated.
- d) Collaborate with other rural research and development corporations and other relevant bodies to maximise common benefits.
- e) Represent CRDC in Government and industry organized meetings and workshops as required, including the Australian Cotton Industry Council.

R&D Management

- a) Initiate and maintain close liaison with research providers (including new or potential providers).
- b) Initiate new R&D activities, including joint activities and commissioned research to prevent gaps and duplication, and to balance and enhance the R&D program.
- c) Monitor research providers' progress to ensure that it satisfies CRDC's requirements in a timely and competitively cost effective manner.
- d) Actively pursue ongoing action relating to extension, adoption and commercialisation of research.
- e) Ensure that Grant proposals and research in progress are properly assessed and arrange additional independent input, where warranted.

Personal

- a) The Executive Director is expected to provide leadership, not only to CRDC and its staff, but to the industry generally, and to the 'common good' of rural research.
- b) The Executive Director is expected to be fully committed to the responsibilities of the position, having demonstrably high ethical standards, productivity, professionalism, empathy and sound judgment.
- c) The Executive Director is expected to foster and adhere to CRDC's Principles.

Representation on Industry Organisations

Australian Cotton Industry Forum: The Chair and Executive Director are CRDC's delegates. The Deputy Chair acts as the alternate.

Council of Rural R&D Corporations: The Chair and Executive Director represent CRDC. Other senior staff participate in appropriate sub committees.

5. Delegations of Authority

The CRDC maintains a Delegation of Authority table. Refer Delegation Authority Table.

6. Board Processes

6.1 Board Meetings

The Board will meet in person as it agrees is necessary for the efficient performance of its functions. Other meetings may be held by teleconference. The Chair and the ED will determine which staff should be asked to attend each meeting.

The Minister may terminate the appointment of a Director if that Director is absent, except with leave approved by the Chair, from 3 consecutive meetings.

The ED, with the assistance of the General Managers, is responsible for the preparation and circulation of Board Papers. They must be circulated to Directors to arrive at least seven days before the Meeting. At a minimum they must contain the minutes of the previous meeting, agenda, a report from the ED, and reports from committees which have met since the previous meeting.

The Board may adopt a rolling twelve month calendar. Currently, research proposals are sought in a call in July, reviewed in October and a budget developed in March, the Annual Operational Plan approved in April/May, the Annual Report adopted in October. R&D strategies will be reviewed progressively at meetings and collectively at an annual strategy review.

6.2 Minutes

Minutes will contain reference to relevant Board Papers tabled plus any resolutions adopted by Directors. Draft minutes will be reviewed by the Chair before circulation to all Directors. At the Chair's discretion, an extract or elaboration of the minutes may be circulated for the purposes of communicating decisions within the organisation.

6.3 Confidentiality

Directors will keep confidential Board discussions and deliberations. Similarly, confidential information received by a Director in the course of the exercise of his/her duties will not be disclosed to the public, in particular:

Directors must ensure that information relating to CRDC, its stakeholders, its operations, or any other sensitive matter, are not given either inadvertently or deliberately to third parties without the consent of CRDC. Other than in circumstances required by law, there is no reason for Directors to reveal documents classified as “-In-Confidence”, or restricted unclassified information. Any such information which is to be released to legitimately interested third parties will only be made so available after appropriate authorisation procedures have been followed.

Directors will maintain and observe their obligations of confidentiality and proper use of information even after they cease to be Directors of CRDC.

6.4 Decisions

The board makes decisions by consensus, or otherwise by a majority vote. If necessary the Chair can exercise a casting vote.

6.5 Quorum

A quorum is a majority of Directors.

6.6 Access

To premises:

- a) Directors must adhere to CRDC's WHS Policy and Procedures.
- b) Access to the office premises is possible during business hours or if otherwise arranged with the ED.

To CRDC files:

- a) Directors have full access to CRDC's files. Directors are entitled to access Board papers for the period when they were a Director on request, even if they have ceased to be a Director. Executive Director approval is required before Personnel records may be accessed.

6.7 Director Remuneration

- a) Directors fees are determined by the Remuneration Tribunal.
- b) A Director may decline receipt of fees. Fees declined cannot be claimed retrospectively.

- c) Directors are paid quarterly in arrears.
- d) The Superannuation Guarantee Levy is added to the Directors fees as determined by the Remuneration Tribunal and paid directly to a Director's nominated Superannuation Fund.
- e) Salary sacrificing to superannuation is an alternative form of payment offered to Directors. Director fees can be salary sacrificed subject to proper notice and approval.
- f) An employment declaration form is to be completed by Directors at the commencement of their term for taxation purposes.
- g) The Remuneration Tribunal Act 1973 states that full time Commonwealth officers are excluded from being remunerated by other Commonwealth bodies. Thus, no Director fees are paid to Commonwealth employees.

6.8 Expenses

- a) Directors are to be reimbursed for actual expenditure incurred during the course of CRDC business.
- b) An expense claim form must be completed and receipts attached for expenses incurred whilst conducting CRDC business.
- c) Travel expenses are covered by the Corporation's Travel Policy.

6.9 Travel Insurance

CRDC is required to maintain insurance cover with Comcover, the Australian government's self-managed insurance fund. It includes cover for Personal Accident and Official Travel.

CRDC reviews the need for Director official overseas cover when reviewing its schedule of cover for the following financial year. Directors need to contact the General Manager - Business & Finance to confirm cover for official travel overseas before travelling.

6.10 Review of Performance

Directors agree that the board will review its performance and make necessary adjustments to improve its systems and procedures on a periodic basis. Similarly Directors will also be required to undergo individual performance reviews.

7. Board Committees

The Board can establish Committees and as a minimum must have (i) an Audit Committee and (ii) a Remuneration Committee. The Board has established an Intellectual Property and Commercialisation Committee and may from time to time, establish adhoc committees.

Set out below are the Committees' objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

Note – unless stated otherwise, details below relate to all Committees.

7.1 Roles and responsibilities

Audit Committee

The Board has established the Audit Committee in compliance with section 45 of the *PGPA Act 2013* and section 17 of the *PGPA Rules Audit committee for Commonwealth entities*.

The Audit Committee provides independent assurance to the Board by reviewing the appropriateness and effectiveness of CRDC's financial reporting, performance reporting, systems of risk oversight and management, system of internal control and compliance framework.

The Audit Committee's responsibilities are to:

Financial reporting

- advise the Board on the preparation and review of year to date and annual financial statements;
- advise the Board on the preparation and review of the portfolio budget statements and estimate updates;
- advise the Board of audit recommendations including whether appropriate action has been taken in response to audit recommendations and adjustments;
- recommend to the Board the signing by the Chair of the Board of the annual financial statements;
- satisfy itself that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal controls; and
- review the processes in place designed to ensure that financial information included in CRDC's annual report is consistent with the signed financial statements;

Performance reporting

- review the framework for the selection of key performance indicators and other performance measures;
- advise the Board of the preparation and review of the annual performance statement; and
- advise the Board about action that could be taken on significant matters of concern or significant opportunities for improvement that are mentioned in reports of internal and external audits;

Systems of risk oversight and management

- coordinate audit work plans and act as a forum for communication between the Board, senior management and internal and external audit;
- review whether management has in place a current and comprehensive risk management framework, and associated procedures for efficient and effective identification and management of CRDC's financial and business risks, including fraud;
- advise the Board on the preparation and review of year to date risk management reports;

- review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- review the impact of CRDC's risk management framework on its control environment (policy & procedures) and insurance arrangements;
- review whether a sound and effective approach has been followed in establishing CRDC's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically;
- review CRDC's fraud control plan and satisfy itself CRDC has appropriate processes and systems in place to capture and effectively investigate fraud related information; and
- annually review and recommend to the Board the level of required financial reserves.

Control framework

- review the adequacy of the internal control framework designed to ensure efficient and effective compliance with legislation;
- review whether management has in place effective policies and procedures, including Executive Director Instructions or their equivalent, and that these are periodically reviewed and updated;
- review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- review the performance of the internal control environment and whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

External accountability

- satisfy itself that CRDC has appropriate mechanisms in place to review and implement, where appropriate, relevant Parliamentary Committee reports and recommendations; and
- satisfy itself that CRDC has a performance management framework that is linked to organisational objectives and outcomes.

Legislative compliance

- determine whether management has appropriately considered legal and compliance risks as part of CRDC's risk assessment and management arrangements; and
- review the efficiency and effectiveness of the system for monitoring CRDC's compliance with relevant laws, regulations and associated government policies.

Internal audit

- review the adequacy of CRDC's compliance and performance internal audit coverage contained in the annual work plan ('plan'), ensure the plan is based on CRDC's key risks, and recommend approval of the plan by the Board;

- advise the Board on the adequacy of internal audit resources and the professional standards to be applied in completion of the approved internal audit plan; and
- monitor management's implementation of internal audit recommendations.

External audit

- provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided;
- review all external plans and reports in respect of planned or completed audits and monitor management's implementation of audit recommendations; and
- provide advice to the Board on action taken on significant issues raised in relevant external audit reports and better practice guides.

Responsibilities of members

Members of the Audit Committee are expected to understand and observe the legal requirements of the PGPA Act. Members are also expected to:

- contribute the time needed to study and understand the papers provided;
- apply good analytical skills, objectivity and good judgment; and
- express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of enquiry.

Remuneration Committee

The primary objective of the Remuneration Committee is to assist the Corporation's Board to fulfil its corporate governance responsibilities on remuneration issues.

The responsibilities of the Remuneration Committee include:

- The Committee, or the Chair as its delegate, will review the performance of the Executive Director at least annually. The Executive Director will review the performance of the Senior Management and provide recommendations on remuneration and succession planning to the Committee for their consideration.
- The Committee will annually review the remuneration packages of the Executive Director and the recommendations of the Executive Director in relation to the Senior Management who report directly to the Executive Director. The packages will be reviewed with due regard to performance and other relevant factors including government policy, market relativity and business outlook.
- Oversight of the recruitment of Executive Director and Senior Management positions.
- Review of the Corporation's HR Strategy.
- Review the Corporation's annual human resources plan.
- Review the Corporation's human resource policies.
- Annual Board Performance Review.

Intellectual Property (IP) and Commercialisation Committee

The primary objective of the committee is to assist the Corporation's Board in fulfilling its responsibilities and strategic objectives for intellectual property management and commercialisation of project outputs to maximise the benefits to the Australian cotton industry.

The IP and Commercialisation Committee's responsibilities are:

- to review the CRDC's IP and Commercialisation Policy and Principles
- to review, monitor progress and evaluate the benefits of CRDC's Commercialisation (IP) Strategy including open innovation processes
- to consider relevant matters, including, but not limited to:
 - reviewing and monitoring of intellectual property management including ownership of Project Technology;
 - responding to registrations of intellectual property under relevant clauses of the CRDC Deeds of Agreement where the delegation of authority exceeds management approval;
 - reviewing new RD&E application IP and adoption pathways and recommending to the Board future management of significant IP (Managed IP).
 - reviewing exploitation plans for whether Project Technology should be evaluated for potential commercialisation;
 - reviewing commercialisation plans and evaluating whether the CRDC should be involved in the commercialisation of Project Technology and any related conditions, fees or royalties;
 - making recommendations regarding the distribution of the net revenue of commercialisation of CRDC IP;
 - reviewing and evaluating whether Project Technology has been successfully commercialised;
 - reviewing and monitoring CRDC's open innovation pipeline; and
 - reviewing and recommending potential partnerships or equity investments to assist commercialisation of new products or services to benefit the Australian cotton industry.

7.2 Authority

The Board authorises the Committees, within the scope of its role and responsibilities, to:

- a) obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- b) discuss any matters with external parties (subject to confidentiality considerations);
- c) request the attendance of any employee, including Directors, at committee meetings; and
- d) make any other decisions where delegated by the Board.

7.3 Composition and Tenure

The Board is responsible for the appointment of committee chairs and members who have appropriate qualifications, knowledge, skills or experience to assist the Committees to perform

its functions. Committees will consist of a minimum of three members, including at least two Board members. The Audit Committee must contain at least one member external to CRDC.

Members will be appointed for an initial period not exceeding three years however each of the Committees' membership will be reviewed annually based on performance, skills and succession considerations.

The Chair of the Remuneration Committee will be the Chair of the Board.

The Chair of the Board cannot be the Chair of the Audit Committee.

Observers, including members of management, may attend meetings as determined by the Committee Chair.

7.4 Reporting

The Committees will regularly report to the Board after each meeting on their activities and decisions.

A Committee may, at any time, report to the Board any other matter they deem of sufficient importance to do so. In addition, at any time an individual committee member may request a meeting with the Chair of the Board.

The processes of the Remuneration Committee and its reports will remain confidential to the Board.

7.5 Meetings, Attendance and Quorum

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committees. The forward meeting plan will cover all of the Committees' responsibilities, as detailed in this charter.

Notwithstanding, a Committee Chair is required to call a meeting if asked to do so by the Board, or another committee.

Meetings can be held in person, by telephone or by video conference.

The committees will meet at least two times per year.

A quorum of a Committee meeting will be a majority of members.

7.6 Administrative Arrangements

Secretariat

The Executive Director will appoint, with the agreement of the Committee, the necessary secretariat support.

The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, after approval from the Committee Chair, at least one week before the meeting, and ensure the minutes of the meetings are prepared and maintained. Minutes must be approved by the Committee Chair and circulated within two weeks of the meeting to each member and committee observers, as appropriate.

The Chair will record the minutes of the Remuneration Committee meetings.

Conflicts of Interest

The Disclosure of Interests tabled at each Board meeting will carry over to Committee meetings.

Committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or observers at Committee meetings are deemed to have a real, or perceived, conflict of interest it may be appropriate that they are excused from committee deliberations on the issue where a conflict of interest exists.

Induction

Members will receive relevant information, training and briefings upon their appointment to assist them to meet their Committee responsibilities.

Assessment Arrangements

The Chair of the Committee, in consultation with the Chair of the Board, will initiate a review of the performance of the committee as part of the annual Board performance review.

8. Variation of Charter

The Board will review, amend and adopt its Charter periodically and at a minimum every 3 years.