

BOARD RESPONSE TO 2016-20 PERFORMANCE REVIEW



CORPORATE GOVERNANCE

Recommendation

1. Undertake revisions to AMPC Constitution to modernise its governance practices, in particular:

- Director terms of 3 year with a maximum of 3 terms;
- Introduce Director election rotation to remove 'whole-of-board' election/replacement in one year and maintain corporate knowledge. Stagger election for Year 1: 3 Directors, Year 2: 2 Directors and Year 3: 2 Directors;
- Special qualifications directors replaced naming to Independent Directors and appointed by members at the Annual General Meeting election based on whole-of-board skills assessment and requirement;
- Remove the alternate director provision;
- Consistency of/updating reference to roles (e.g. CEO to Executive Officer); and
- Update AGM election process to Direct Voting from Preferential Voting.

2. AMPC to implement a Board appointment process for Processor Directors aligned to the skills based requirements as defined under the SFA and Constitution and in line with ASX Corporate Governance principles and recommendations (within limitations of AMPC Constitution) that accounts for timeframes to call for nominations aligned to skill requirements and allows for independent review prior to voting by members at the AGM.

Action

Responsibility: Nomination & Remuneration Committee & Company Secretary

By 30 June 2021:

- Conduct an 'if not, why not' assessment of the Performance Review recommendations and the ASX Corporate Governance Principles.

By 30 December 2021:

- Prepare a new, zero-based constitution embodying the recommended changes as endorsed by the AMPC board following the 'if not, why not' assessment.
- Proceed with November 2021 AGM, enacting any new director appointment practice established in the new constitution.

Responsibility: Nomination & Remuneration Committee & Company Secretary

By 31 December 2020:

- Prepare a detailed definition of each of the board skills based on agreed competencies.
- Conduct a review of board skills by an external consultant before AGM and follow-up annually.
- Ratify the director skills review and election process into policy or procedure.
- Agree and document the appointment process by way of a policy/procedure.

Recommendation

3. Continue to drive an enhanced continuous improvement

Corporate Governance culture within the organisation by ensuring the SFA, Constitution and Red Meat MoU are practically leveraged in AMPC's Governance Policy to guide Board and Executive performance and delivery.

4. Continue to enhance the clear separation of powers between the Board and Executive.

This will be achieved through the Board's continued focus on longer-term AMPC strategy, industry operating environment and Corporate Governance related matters; and the Executive being charged with full authority to make decisions and act on behalf of the organisation to ensure delivery against the KPIs and objectives detailed in the approved Strategic Plan and Annual Operating Plans.

5. Develop and/or review the following Board policies to align with current best practice:

- Risk management framework to consider further assessment and monitoring of material exposures to environmental, social or governance risks i.e. changes to MoU, RDC reform, community attitudes;
- Board meetings resolutions register; and
- Policy for the ongoing professional development of directors.

Action

Responsibility: Board of Directors

By 31 December 2020:

- Ensure a continuous improvement approach is embodied in Corporate Governance Policy.
- Develop continuous improvement roadmap for strategic period 2020-25.

Responsibility: Audit & Risk Committee

By 31 December 2021:

- Arrange for all directors to undertake AICD *The Board and the CEO* course via in-house course delivery.
- Upon completion of *The Board and the CEO*, review and amend the Delegation of Authority to enhance the empowerment of the executive function.

Responsibility: Audit & Risk Committee

By 31 December 2021:

- Revise the Risk Management plan to incorporate environmental risks and Emerging Risks.
- Introduce and maintain a resolutions register.
- Include director professional development within Corporate Governance Policy.
- *Annual Governance Update* to be delivered to the board, with focus on Performance Review topics.



COMPANY STRUCTURE & FUNDING

Recommendation

6. Implement Memorandum of Understanding (MoU) with MLA to improve the delivery and operational benefit to both levy payers, the Red Meat Industry and each organisation.

The MoU is to clearly define the process around engagement, consultation in annual investment process, organisational operation and reporting needs and expectations, program and investment reporting requirements, process for the commercialisation of IP, process for sharing of industry insights and strategic investment prioritisation.

Action

Responsibility: Executive General Manager

By 31 December 2020:

- Develop an options paper for consideration by the Board before commencing talks with MLA.

By 30 June 2021:

- Execute agreement with MLA.

Recommendation

7. **Continue to drive a collaborative relationship with DAWE** both in respect to the SFA, Strategic Plan, Annual Operating Plans and broader R&D outcomes, this includes ensuring ongoing compliance with the SFA through timely engagement with and submission of compliance and audit reports to DAWE.

Action

Responsibility: Executive General Manager

By 31 December 2020:

- Industry & Government Relations Manager to develop internal DAWE stakeholder engagement plan.
- Ensure all document submissions are included on the Compliance Calendar.



COMPANY OPERATIONS

Recommendation

8. **Continue to drive an industry insights and service delivery model approach to AMPC strategic planning**, aligned with broader Red Meat Industry priorities and clearly define AMPC investment and role through the finalisation of the 2020-2025 Strategic Plan by 30 June 2020 and effective implementation across the organisation prior to the end of the current SFA in November 2020. This also ensures AMPC's alignment with broader Red Meat Industry horizons (i.e. Red Meat 2030, MISP 2020-2030 and MLA's Strategic Plan).

Action

Responsibility: Executive General Manager

By 31 December 2020:

- Industry & Government Relations Manager to develop internal Red Meat Industry stakeholder engagement plan.
- Communications Manager to define and develop clear messaging around AMPC's investments and role, delivery model.
- Ensure and communicate alignment of 2025 Strategic Plan with Red Meat 2030 priorities.
- Ensure systems capable of activity reporting against Red Meat 2030 pillars.



PROJECT PLANNING & DELIVERY

Recommendation

9. **Finalise updates to the Project Governance Policy**, including whole of program development process.

Action

Responsibility: Executive General Manager

By 31 December 2020:

- Submit updated policy to board for approval.



ENGAGEMENT, CONSULTATION & COMMUNICATION

Recommendation

10. Continue to focus on effective engagement and consultation with AMIC as RO/PIC per recently agreed consultation process.

To ensure ongoing benefits to levy payers and the wider Red Meat Industry, the consultation process should continue to focus on effective and regular engagement above the minimum requirements as detailed in the Red Meat MoU (refer minimum 6-monthly consultation and engagement with AMIC during strategic planning and annual operating planning processes).

11. Finalise Communications Plan by 30 June 2020 and ensure effective implementation prior to end of current SFA period in line with the 2020-2025 Strategic Plan.

The Communications Plan should continue to provide clear definition of AMPC's role as an RDC and service delivery organisation within the Red Meat Industry; timely updates on RD&E project scoping, status and outcomes; and ensure appropriate engagement and updates on RD&E project scoping, status and outcomes; and ensure appropriate engagement and updates to levy payers, members, Red Meat Industry, research providers and Government stakeholders.

Action

Responsibility: Executive General Manager

By 31 December 2020:

- Industry & Government Relations Manager to develop internal AMIC stakeholder engagement plan.
- Management to develop a discussion paper for AMPC and AMIC's boards for discussion and agreement.

Responsibility: Executive General Manager

By 31 December 2020:

- Communications Manager to complete Strategic Communications Plan and roll out alongside strategy.
- Ensure communications plan addresses all stakeholder groups and both traditional communications and engagement models as contemplated in the strategic plan.
- Ensure communications plan addresses the depth of engagement alluded to in the recommendation.



DELIVERY OF BENEFITS

Recommendation

12. Update the Evaluation Framework to reflect the more structured and consistent Research Programs impact assessment process

that has been implemented in 2018 and 2019 (i.e. annual reviews of selected programs), in addition to the existing 5-year Strategic Plan impact assessment and overall ROI.

Action

Responsibility: Executive General Manager

By 31 December 2020:

- Update Evaluation Framework to require annual and 'end of strategy' reviews to demonstrate clear ROI to levy payers.
- Engage provider for strategic period to conduct economic assessments per evaluation framework methodology.