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Policy for the Selection and Appointment of Directors to ViCSPA

Overview

This policy sets out the key selection criteria including competencies, attributes and qualifications that are to be considered during the facilitation of the selection process for the appointment of individual Directors to the Board of ViCSPA (*the Company*).

In addition, those seeking to become a Director of ViCSPA must possess the highest ethical standards, personal integrity and a sense of duty and commitment to serving the interests of the organisation. Additionally to maximise effectiveness the Board of Directors will share the following characteristics: Relevant skills and experience, financial literacy, competence in a specialised area, sound, independent judgement and a broad perspective, courage to ask critical and searching questions and have respect for fellow directors. All directors must possess the character, diligence, honesty, impartiality, integrity and judgement to perform their duties. When evaluating nominations, consideration will be given to board diversity, experience and skills of the Board as a whole.

Director selection is also subject to relevant legislative requirements and assessment of whether the company considers the person is deemed fit and proper to hold the position of office.

Introduction and Purpose

The responsibility for the selection and recommendation to the Board of potential Directors has been delegated to the Selection Committee (*the Committee*) which shall periodically review the selection criteria of the Board to ensure that the Board has at all times the mix of members and expertise necessary for the successful oversight of the Company's business and the delivery of value to members.

This Policy provides guidelines for the exercise of the Committee's responsibilities authority having regard to the following principles:

- the Board should consist of members with an appropriate mix of skills, diversity, experience, gender, race, ethnicity and age to enable the Board to be an effective decision making body;
 - a 4 directors of the Board shall be seed grower members and 4 directors of the Board shall be skills based;
 - the Chair should also be independent of the potato industry; and
 - the procedure for selection of Directors should be sufficiently flexible to meet the needs of the Company depending on its circumstances at any particular time.
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An industry based selection panel will be appointed to select candidates to the Board. This shall be done in accordance with relevant section of the Constitution of the Company see annexure.

Procedure for Selection and Appointment of New Director(s)

The Committee shall:

- assess the current Board's competencies, skills and qualities;
- give consideration to the experience regarded as important to be represented on the Board, namely:
 - experience as a Director;
 - experience as an Executive reporting to a Board;
 - relevant business experience;
 - financial experience;
 - technology experience;
 - marketing experience;
 - legal and regulatory experience; and
 - corporate governance and risk management experience;
- assess the future needs of the business;
- develop a range of selection criteria for potential Board candidate(s) (*as annexed in the "Competencies Matrix"*); these may include, among other things, knowledge, experience, skills, expertise, integrity, diversity, ability to independent analytical inquiries, understanding of the Company's business environment, willingness to devote adequate time and effort to the duties of the Board;
- consider recommendations from management and others as it deems appropriate;
- use, if considered desirable, the services of an independent executive search firm to assess the appropriateness of candidates and/or to provide or supplement the candidate list;
- meet with and evaluate the final potential candidates and in particular determine the extent to which potential Board candidates are;
 - (a) likely to work constructively with the existing Directors,
 - (b) contribute to the overall effectiveness of the Board and
 - (c) safeguard the interests of the Company and avoid conflicts of interest;
- consider the suitability of potential Board candidates appointment to Board committees;
- advise potential Board candidates of the Company's policy regarding its expectations of Directors to ensure that candidates are fully informed of such expectations including regulatory and compliance requirements; and
- Provide the Board with a list of potential Board candidates and a recommendation.

Procedure for Re-appointment of Incumbent Director(s)

- The Company's Constitution provides that a Director may not hold office for a continuous period in excess of 4 years following the Director's appointment without submitting for re-election.

Renewal Policy and Term of Office

- Directors are appointed for a term of four years. In accordance with the Company constitution (see annexure)
- The Board believes that it should not establish strict limits on the number of terms a Director may serve.
- Term limits may cause the loss of experience and expertise important to the optimal operation of the Board.
- Directors are not entitled to any retirement or similar allowance upon ceasing to be a Director for any reason.
- There is no maximum age limit for a Director.

Disclosure

- This Policy for the Selection and Appointment of Directors is publicly available on the Company's website in a clearly marked Corporate Governance section.

Who to Contact

- Any questions relating to the interpretation of this Policy should be forwarded to the Company Secretary.

Annexure – 1. Competencies Matrix

Competencies considered by the Committee when selecting and recommending a person for appointment as a Director must include:

1. General Competencies

- Individuals thorough understanding of a Directors fiduciary duties – (must act with honesty and in good faith and put the interests of the company ahead of their own)
- ability to make informed business decisions;
- visionary and entrepreneurial;
- courage to ask critical and searching questions;
- can see broader picture and perspective;
- integrity in personal and business dealings;
- ability to maintain confidentiality;
- ability to make independent analytical inquiries; and
- willingness to devote adequate time and effort to the needs of the Board.

2. Knowledge Competencies

- technology experience;
- marketing experience;
- corporate governance and risk management experience;
- understand legal, accounting, and regulatory requirements affecting the Company;
- understand responsibilities as a Director and senior Executive;
- is aware of latest business and management practices;
- understand the roles, processes and relationships of the Board and its members; and
- ability to monitor and evaluate the key performance indicators of the Company and its senior management.

3. Strategic Competencies

- can see strengths and weaknesses of Companies and businesses - and how decisions will impact them;
- ability to recognise opportunities and threats in the industry;
- ability to recognise broader business and societal changes - particularly in the context of potato industry markets;
- understanding of compatibility required between budgets and business plans and vision and strategy and have the ability to effectively monitor these budgets, plans and strategies;
- ability to assess performance in line with strategy and business plans
- aware of change and the need for change; and
- understand the difference between governance and operational matters.

4. Financial and Analytical Competencies

- financially literate - can read and interpret financial reports;
- ability to think critically and to challenge proposals;
- understanding issues from different perspectives; and
- actively seeks out further information (if required) and use information to make informed judgements and assessments.

5. Character Competencies

- acts at all times with good morals and values;
- willing to act on, and remain accountable for, Board decisions;
- maintain board and board committee confidentiality;
- courage to pursue personal convictions;
- obey the law and follow ethically accepted practices, and
- must be objective at all times and act in the best interests of the Company.

6. Communication Competencies

- can articulate thoughts, opinions, rationales, and points in a clear, concise and logical manner;
- is flexible and willing to change stances when necessary and appropriate;
- ability to listen, process and understand key points;
- can interact with other Board members in a group setting, both contributing to, and valuing the contributions of all members;
- ability to coach or mentor members of staff, if required;
- recognise and understand the motivations of investors, analysts, customers, competitors, employees, regulators and other groups - and communicate with them accordingly.

Annexure – 2. Additional Selection Criteria for appointment of Chair

- Ability to be an effective and inclusive leader
- Have necessary skills to lead the setting of the agenda, run meetings effectively, control discussion appropriately, manage dissent, work towards consensus, communicate persuasively with colleagues and management and set the tone and culture for effective corporate governance.
- Have sufficient time to devote to the duties of Chair
- Have a thorough understanding of conflict of interest scenarios and the appropriate management of them
- Maintain confidence of Directors and management
- Ability of build relationships with industry, government/s and wider community
- Ability to delegate
- Superior decision making processes
- Be geographically located within reasonable distance to both Toolangi and Melbourne central business district

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- Have ability and time to travel long distance across the ViCSPA region
 - Have inclusive, friendly and decisive manner
 - Be Graduate or Fellow Member of Australian Institute of Company Directors

Annexure 3. Text from Current Company Constitution

23.APPOINTMENT OF MEMBERS OF THE BOARD

23.1 *The members of the Board shall be appointed by a selection panel constituted as provided in sub-rule 23.2.*

23.2 *The selection panel, each member of which shall have one vote, shall consist of:*

23.2.1 *three certified seed potato growers (current members);*

23.2.2 *one potato processing industry representative;*

23.2.3 *one fresh potato grower;*

23.2.4 *one produce merchant and*

23.2.5 *one person appointed by the Board who shall convene the meetings of the selection panel.*

The selection of candidates for the positions of the selection panel shall be done in consultation with relevant industry groups, where possible.

23.3 *The Authority shall pay the cost of out of pocket expenses of members of the selection panel and may pay sitting fees for panel members.*

23.4 *The selection panel shall by way of public advertisements and any other means invite written applications from persons interested in being appointed as the Chair or a member of the Board.*

23.5 *In establishing the key selection criteria for appointment of Board members, the selection shall take into account the following guidelines:*

23.5.1 *The Chair should have no direct commercial involvement in the potato industry but should have experience in a horticultural industry and have business, management and/or financial skills and experience.*

23.5.2 *The four seed potato growers should be actively engaged in the growing of Certified seed potatoes and be current members of the Authority.*

23.5.3 *The selection of the remaining four board members should take into account the desirability of business, financial and/or legal skills and representation from all industry sectors.*

23.6 A person who is not a member of the Authority may be appointed as Chair or a member of the Board but will be deemed to be an honorary member upon appointment in accordance with these Rules.

23.7 In the event of a casual vacancy occurring in the office of a member of the Board, the Board shall appoint a member of the Authority to fill the vacancy and the member so appointed shall hold office, subject to these Rules, for the remainder of the term of office.

23.8 In the event of a casual vacancy occurring in the office of Chair of the Board, the Board shall appoint one of its members as an interim Chair. The selection panel must then appoint a new Chair within three months of the office becoming vacant and the person so appointed shall hold office, subject to these Rules, for the remainder of the term of office.

23.9 For the purposes of these Rules, the office of Chair or of an ordinary member of the Board becomes vacant if the Chair or member:-

23.9.1 becomes an insolvent under administration within the meaning of the Corporations Act;

23.9.2 resigns his or her office by notice in writing given to the Secretary;

23.9.3 becomes a represented person within the meaning of the section 3 of the Guardianship and Administration Act 1986;

23.9.4 fails to attend 3 consecutive Board meetings (other than special or urgent Board meetings) without leave of absence from the Board; or

23.9.5 otherwise ceases to be a Board member by operation of section 78 of the Act.