FOREST & WOOD PRODUCTS AUSTRALIA

Board Charter

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1. Purpose

This Board Charter sets out the role, responsibilities, composition, and operations of the Board of Forest and Wood Products Australia Limited (FWPA).

The Charter operates within, and is subordinate to:

- the FWPA Constitution;
- the Statutory Funding Agreement (SFA) with the Commonwealth of Australia; and
- applicable legislation including the Corporations Act 2001 (Cth) and the Australian Charities and Not-for-profits Commission Act 2012 (Cth).

In the event of inconsistency, the Constitution and the Statutory Funding Agreement prevail.

2. Role of FWPA

FWPA is an industry-owned company responsible for delivering research, development, extension, and marketing activities for the Australian forest and wood products sector.

The Board ensures that FWPA:

- operates for the benefit of the Industry and the Australian community;
- remains apolitical and does not engage in agri-political activity;
- does not act as an Industry Representative Organisation; and
- complies with all obligations under the Statutory Funding Agreement.

3. Role of the Board

The Board is responsible for the overall governance, strategic direction, and performance of FWPA. In fulfilling its role, the Board will:

- provide strategic leadership and approve FWPA's Strategic Plan;
- Oversight and executive management including CEO selection and performance, CEO and senior management succession planning, resource allocation;
- ensure appropriate systems of governance, risk management, and internal control are in place;
- ensure compliance with the Constitution, Statutory Funding Agreement, and all legal obligations; and
- ensure accountability to members, levy payers, stakeholders, and the Commonwealth.

The Board must also ensure that FWPA operates in accordance with the Performance Principles under the Statutory Funding Agreement.

Use of Funds and Governance Obligations

The Board must ensure that FWPA:

- manages and applies all funds in accordance with the Statutory Funding Agreement and relevant legislation;
- ensures the proper use of funds (efficient, effective, economical, and ethical);
- maintains an appropriate balanced portfolio of research, development and marketing activities; and
- aligns all expenditure with the Strategic Plan and applicable Guidelines.

4. Board Composition

The Board will be constituted in accordance with the Constitution, comprising:

- a minimum of five and a maximum of nine Directors;
- a Managing Director (if appointed); and
- at least two Non-Member Directors.

The Board will maintain a skills-based composition, ensuring that, collectively, Directors possess expertise across the following capability areas:

- governance, risk, legal and regulatory compliance, including corporate governance and public policy;
- finance, accounting, audit, and financial management, including budgeting, capital allocation and analysis of organisational performance;
- strategic thinking and oversight, including the ability to evaluate long-term direction, emerging trends, risks and opportunities;
- research and development, innovation, technology transfer and the commercialisation of R&D outcomes;
- production, utilisation and value chain knowledge of forest and wood products;
- marketing, communications and promotion, including product promotion, retail marketing and the use of contemporary communications platforms;
- domestic and international commerce, trade and market development;
- conservation and management of natural resources, including sustainable forest management;
- industry knowledge, including market dynamics, competitive landscape and stakeholder engagement across the forest and wood products and related sectors;
- leadership, collaboration and stakeholder engagement, including the ability to work constructively with management, government and industry stakeholders; and
- technology, digital capability and innovation relevant to the sector.

The Board will also include demonstrated capability in sustainability and ESG considerations, including sustainable forest management practices, certification frameworks, recycling and reuse, and the role of wood products in carbon sequestration.

5. Appointment and Rotation of Directors

Directors are appointed and elected in accordance with the Constitution.
A Director Selection Committee (DSC) is established to recommend candidates for election. The DSC must include:

- a non-voting Chair who is a Director not seeking reappointment;
- representatives of National Representative Bodies; and
- at least one additional suitably qualified person.

6. Board Committee

The Board may establish committees to assist in the discharge of its responsibilities.
Standing committees include:

- Finance, Audit and Risk Management Committee; and
- People and Culture Committee.

Each committee operates under approved terms of reference and reports to the Board.

7. Role of the Chair

The Chair:

- leads the Board and ensures its effectiveness;
- facilitates constructive contributions by Directors;
- ensures Board discussions are focused on strategic issues;
- represents FWPA in governance matters as appropriate; and
- oversees Board and CEO performance.

The Chair is elected in accordance with the Constitution.

8. Role of the Company Secretary

The Company Secretary is appointed by the Board and is accountable to the Board through the Chair.

The Company Secretary:

- advises the Board on governance and compliance obligations;
- supports the effective functioning of the Board and its committees;
- ensures proper Board procedures are followed;
- coordinates agendas, papers, and minutes; and
- attends and participates in all Board and is available for Committee meetings.

9. Board Meetings

The Board meets at least five times each year, including an annual strategic planning session.
Board meetings:

- may be conducted in person or using approved technology;
- require a quorum of Directors as defined in the Constitution; and
- operate in accordance with formal procedures set out in the Constitution.

10. Strategic Planning

The Board is responsible for approving and overseeing the Strategic Plan.

The Strategic Plan must:

- align with the Constitution and Statutory Funding Agreement;
- incorporate stakeholder consultation;
- reflect Performance Principles and Guidelines; and
- provide a framework for investment decisions and organisational priorities.

11. Performance, Reporting and Accountability

The Board ensures that FWPA:

- monitors and reports performance against the Strategic Plan and Performance Principles;
- prepares and publishes an Annual Report in accordance with statutory obligations;
- demonstrates outcomes and value to levy payers and stakeholders; and
- maintains transparency in decision-making and reporting.

12. Commonwealth Engagement and Oversight

The Board acknowledges that the Commonwealth:

- may monitor FWPA's performance and compliance;
- may require access to FWPA's records, systems, and information; and
- conducts Annual Performance Meetings with FWPA.

The Board will ensure full cooperation with these requirements.

13. Stakeholder Engagement

The Board ensures ongoing engagement with:

- levy payers and charge payers;
- industry stakeholders;
- government agencies; and
- research and delivery partners.

This engagement informs strategic planning and investment priorities.

14. Board Performance Evaluation

The Board will:

- regularly assess its performance and effectiveness;
- participate in external reviews where required under the Statutory Funding Agreement; and
- implement improvements identified through evaluation processes.

15. Independent Advice

Directors may seek independent professional advice, at FWPA's expense, subject to approval by the Chair.

16. Review of the Charter

This Charter will be reviewed periodically to ensure it remains:

- consistent with the Constitution;
- aligned with the Statutory Funding Agreement; and
- reflective of contemporary governance best practice.