



Aleeza Iqbal, Corporate Communications Adviser

### Employee engagement

Surveyed improvement year on year  
(compared to average employee engagement level  
achieved by similar sized organisations)



# Our People

AWB employs over 2,700 people based in more than 230 AWB-owned locations both in Australia and internationally. More than 70% of AWB's employees are located in regional Australia, making AWB one of the largest rural employers in the country. AWB is committed to positioning itself as an employer of choice across the rural services sector and in particular, the specialist areas of financial services, as a key platform in our strategy to attract and retain a talented workforce.

The integration of the Landmark business involved considerable consolidation and restructuring of all AWB support functions, as well as some key customer facing groups, in order to met the company objectives under the Integrated Business Model. The work of integrating human resource policies, systems and processes will continue in 2005.

In support of the AWB Corporate Plan, the key pillars of the Human Resource Management strategy in 2004/05 are focused on building organisational capability, and continuing to provide a safe and rewarding workplace.

## Reinforcing AWB Capability

The complexity of the AWB business demands a workforce with diverse and specialist skills, and people capability is one of the company's highest priorities.

AWB recognises that capability of employees is key to delivering on its corporate objectives. In 2004/05, AWB will significantly increase the scope of training and development for its frontline employees, particularly in the areas of customer sales and relationship management. AWB has a framework for identification and delivery of training requirements in the business, an important platform in ensuring AWB's capability.

### Succession and talent management

AWB has a formal succession planning process that is managed by senior managers within the company's Enterprise Risk Management (ERM) framework. This ensures all business critical roles are succession managed in order to assure continuity of leadership capability and critical skills.

Formal monitoring and addressing of retention risk have resulted in AWB achieving a 95% retention of key talent in the 2003/04 year, in a competitive labour market. Successful minimisation of talent turnover has been achieved at the same time as AWB has successfully attracted highly qualified specialists to the organisation.

## Driving a Performance Culture

Three factors are considered critical to a well balanced performance culture in AWB:

### Employee engagement

AWB is focused on employee engagement as a key driver of individual and team performance. This focus has resulted in a substantial year on year improvement to a more than satisfactory and sustainable level.

During 2004/05, AWB will measure and respond to employee engagement in the Landmark workforce to ensure that the positive performance culture attributes of both businesses are fostered and maintained.

### Remuneration

AWB has an overarching Remuneration Policy which is annually reviewed and approved by the AWB board. This Policy deals with:

- the broad remuneration principles required to actively support AWB's organisational and people objectives – that is, to attract, motivate and retain employees. This philosophy advocates market competitive fixed pay, appropriate annual incentives for performance against business targets, plus a strong emphasis on long-term incentives to encourage reward for exceptional performance; and
- a strategic approach to setting remuneration levels and reviewing incentive and other remuneration components. The strategy is reviewed annually, to reflect internal changes or changes in external market practices.

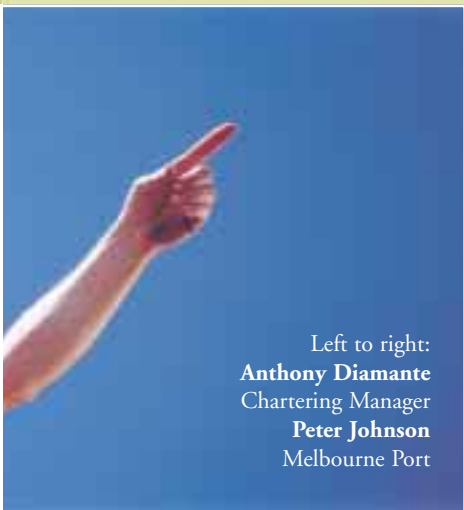
Further details are provided in the Remuneration Report on page 53.

### Performance Management

The AWB performance management system is in its third year of operation, and sets out clear objectives for all employees, informal and formal performance feedback channels, and an explicit approach to rectifying performance problems.

The "Managing for High Performance" learning program has been designed in-house and is offered to all new managers and supervisors, as well as those who wish to hone this important management skill.

The key challenge for the coming year is to extend the AWB performance management system to the Landmark workforce.



Left to right:  
**Anthony Diamante**  
Chartering Manager  
**Peter Johnson**  
Melbourne Port

## A Safe and Rewarding Place to Work

In 2003/04 AWB Group has achieved a number of milestones in occupational health and safety (OH&S) management, with the completion of the safety management system (SMS) for AWB. This SMS has also been assessed as compliant with AS 4801 (the Australian Management Standard for Occupational Health and Safety Management Systems) and AWB was accredited to AS 4801 in August 2004.

### OH&S Achievements

AWB completed the 2003/04 year with a Lost Time Injury Frequency Rate (LTIFR) of 4.7 – an excellent result that is within the targeted LTIFR of 5 set for the business for the same period. This is particularly noteworthy due to the intensive integration of the AWB/Landmark businesses which saw

the coming together of two safety cultures and safety management systems. This SMS is being further embedded in AWB, with an implementation strategy to expand this system across the business for 2004/05.

The OH&S strategy of AWB is supported by a structured OH&S policy and a set of Corporate Safety Values. It is a function of AWB board to oversee the management of OH&S. In this capacity, AWB has the following structures in place:

1. a management review function which reviews OH&S performance at the executive level on a bi-annual basis;
2. OH&S compliance audits are included in the internal audit program and are undertaken annually and reviewed through the board Audit Committee; and

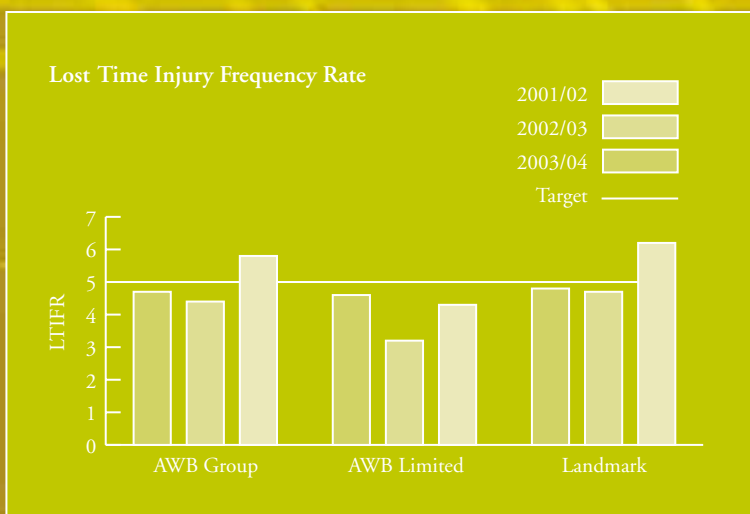
3. OH&S reports are reported monthly to the AWB board.

### Beyond Work

The focus on occupational health extends beyond the workplace. AWB has a comprehensive rehabilitation policy governing the return to work processes and expectations for all AWB employees returning from work related and non work related injury or illness.

### Managing Industrial Harmony

AWB continues to engage in a pro-active manner with all unions and representatives of unions associated with AWB workplace activity. This approach includes the active support of an employee advocate, and has enabled AWB to achieve some key workplace change initiatives without business disruption or interruption.



# More than 70% of AWB's employees are located in regional Australia, making AWB one of the largest rural employers in the country.

## AWB Supporting its People

AWB's values are:

1. we are accountable for our decisions, actions, and performance;
2. we act with integrity and treat others with respect;
3. we understand the value and importance of teamwork; and
4. we initiate the creation of value for our customers.

Intrinsic in these values is AWB's focus on the responsibility to effectively and consistently address the health and wellbeing of its people. In 2003/04, AWB has invested in a range of support and policy infrastructure to meet the needs of the workforce.

## Workplace Diversity

AWB will further develop its Workplace Diversity policy in 2004/05 with a mix of face to face and e-learning programs. AWB also seeks to improve workplace culture through a clearly defined code of conduct and through formal feedback systems.

## Work-life balance

AWB acknowledges that, from time to time, employees will have family responsibilities that can conflict with work demands. The AWB Work-life balance policy exists within the broader framework of the Workplace Diversity Policy, which is approved annually by the AWB Limited board.

## Employee Assistance Program (EAP)

In 2003/04, AWB fully implemented an Employee Assistance Program that is a

professional, confidential counselling service for employees and their immediate family members. It provides employees an avenue for advice and support by an independent professional, and is designed to assist employees (and their immediate family members) with problems impacting their general wellbeing and work performance.

AWB has a rapidly changing and growing business, and has a stable and capable human resource management infrastructure to support the achievement of its business objectives.



Left to right:  
**Kerrin Gleeson**  
Pricing Strategist  
**Andrew Tyas**  
Logistics Analyst



We recognise the importance of supporting and actively contributing to the community that we live and work in.

**Matt Holgate**  
State Grain Manager, Victoria

**Ian Cornford**, farmer, Queensland

# Our Social Commitment

Together with the Landmark business, AWB has a long and proud tradition of serving rural Australia which stretches back more than 150 years. As part of the fabric of regional Australia, we recognise the importance of supporting and actively contributing to the community that we live and work in, and, as Australia's leading agribusiness, we are in a unique position to be able to make a difference through our activities and the activities of our people.

Our contribution to the rural community and environment is based on three key platforms:

- agriculture industry leadership;
- rural communities; and
- environment and agricultural sustainability.

## Agriculture Industry Leadership

AWB recognises the importance of leadership to the future of the Australian agricultural industry, and is working to foster this across all aspects of agriculture – from grower representative bodies to cropping groups and development programs for primary producers.

The company is an active supporter of farmer representative groups across Australia, providing assistance for research and advocacy work on behalf of farmers. These groups play an important role in representing growers' interests and fostering industry leadership and development.

To enhance this, AWB has formed 14 Grower Consultative Groups (GCGs) and the Managing Director's Roundtable – two unique initiatives which develop the links between AWB, grain growers and the regional communities we operate in.

Both are mechanisms for two-way communication which assist the company meet the needs of its stakeholders, but also fostering leadership at the community level and provide these farmers with a platform to develop their leadership skills. In addition to this, AWB actively encourages grower involvement in their industry by coordinating a program of grower group visits to its head office. In 2004, AWB developed specific programs and tours for more than 25 groups, involving more than 400 participants. This included targeted programs for rural women and young farmers.

AWB is a significant contributor to the Nuffield Farming Scholarship Program. This program targets dynamic young Australian farmers and provides funding for successful candidates to travel internationally, expand their personal horizons and learn from leading agriculturists from around the world.

In August 2004, the inaugural AWB Young Leaders Conference was held in Melbourne. The aim of the event was to foster young farm leaders by growing their skills and experience base, so that the industry has a strong platform of leadership for the future. More than 80 young grain growers attended the conference from around Australia.

## Rural Communities

As Australia's leading agribusiness, AWB has a large investment in the future of the agricultural sector and in the broad development of regional Australia. More than 70% of AWB's people are based in rural areas and the company is active in finding ways that it can help support those communities.

### Rural sport

At the heart of many rural communities are its sporting teams, and the company is strongly committed to the support and development of rural and regional sport. This extends to involvement in Australian Rules country football championships in a number of States; extensive support for country Rugby Union at the regional and state level; and numerous tennis, cricket, golf and lawn bowls country events.

### Support and services

An important part of a vibrant and healthy rural community is the provision of adequate infrastructure and essential services. Through Landmark, AWB maintains a significant charity partnership with the Queensland Royal Children's Hospital Foundation (RCH). Landmark's involvement with the RCH Foundation commenced in 2002 with the Landmark Charity Steer Auction at the Royal Brisbane Show. More recently, the company launched the "Pulling up Socks for Sick Kids" fundraising program, which, through donating the proceeds of the sale of Merino wool socks, Landmark raised more than \$120,000 to help the treatment of sick kids at the hospital.



The issue of sustainable agriculture is at the heart of our business and the long-term prosperity of our farmers.



Landmark Queensland  
Heelers v Landmark  
NSW Cockatoos



### Social service providers

AWB also contributes between \$70,000 to \$80,000 annually to selected charities which contribute to rural communities. Charities which have benefited from this initiative include:

- The Variety Club of Australia;
- Angel Flight;
- Lifeline;
- The Royal Flying Doctor Service; and
- Salvation Army.

### Environment and agricultural sustainability

AWB is committed to managing its operations in an environmentally responsible manner. This is supported by the AWB Environmental Policy, and the development of an Environmental Management System in line with International Environmental Management Standard ISO 14001. This review has assisted with identification of environmental risks associated with AWB's operations, and the same review process is now being undertaken for the Landmark business. AWB also subscribes to the Agsafe industry code of conduct for the safe transport, handling and storage of agricultural and veterinary chemicals.

While not a producer or manufacturer of goods in our own right, AWB believes the issue of sustainable agriculture is at the heart of our business and the long-term prosperity of our farmers. Specific initiatives have included:

#### Dryland salinity

In a partnership with the Cooperative Research Centre for Plant-based Management of Dryland Salinity (CRC), Landmark is involved in a major program directed towards finding long-term solutions for this key issue. The CRC aims to provide new plant-based land use systems to minimise the impact of dryland salinity. With Landmark's direct contact with farmers, it plays a key role in disseminating vital information to the farming community and maximising the impact of the research. This assists in ameliorating the impact of salinity, and improving the long-term productivity, profitability and sustainability of farmers and their communities. The next phase of the program is full-scale extension of the project across the four southern States, specifically promoting lucerne and perennial pastures as significant plants to utilise rainfall and prevent rising water tables.

#### eTree

AWB is a foundation member of the Computershare eTree initiative. Launched in 2004, eTree encourages AWB shareholders to register their email address for electronic communications. It allows shareholders to minimise postal communications and save paper, in return for increased reforestation activities. For every email registration captured by the eTree campaign, a donation is made by AWB to Landcare Australia. The funds will be distributed to support landscape change projects in the State where the registering shareholder resides. Some of the projects earmarked for funding under the eTree initiative include the "Grow West" project at Bacchus Marsh in Victoria, the Holbrook Rebirding project in New South Wales and the Fitzgerald Biosphere Reserve project in Western Australia.

To date, nearly 3,000 AWB shareholders have registered for eTree. Shareholders interested in supporting eTree can register their email address by visiting [www.etree.com.au/awb](http://www.etree.com.au/awb)

Left to right:  
**Terry Aucher**, Head of Credit and Trade Finance  
**Nick Farr-Jones**, Former Wallabies Captain  
**Barry Smith**  
Participating in Variety Club Bash



# Executive Profiles



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## 1. Andrew Lindberg

**Managing Director, 51, BComm, BSc, MBA, FAICD**

Joined AWB in 2000. Mr Lindberg is responsible for the management of AWB and is a director on the Boards of AWB and AWBI. Mr Lindberg has senior management experience in both the private and public sectors, at Federal and State levels. Prior positions have included senior management responsibilities in manufacturing, Federal industry policy development, insurance and leading key sector financial reforms.



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## 2. Paul Ingleby

**Chief Financial Officer, 53, BA (Accounting), CA**

Joined AWB in 1998. Mr Ingleby is responsible for finance and administration, treasury and trade finance. Before joining AWB, he had experience as Chief Financial Officer of a major diversified, agriculturally focused corporation and a bank. Mr Ingleby's previous positions have been in banking and merchant banking (where he was involved in the analysis, valuation and sale of businesses in Australia, New Zealand and Hong Kong), chartered accounting (corporate advisory and audit) and government (companies and securities regulation and corporate crime investigation).



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## 3. Jill Gillingham

**General Manager, Supply Chain, Technology and Business Processes, 54, BEc, MBA, MAICD**

Joined AWB in 2000. Ms Gillingham is responsible for information systems, supply chain management and the grower service centre. She has a broad range of general management experience, having held executive positions and been responsible for major business operations in the general insurance, workers compensation and occupational health and safety sectors. Ms Gillingham has also been responsible for the development and implementation of large IT initiatives within the insurance industry. Before joining AWB, Ms Gillingham held the position of Group General Manager Operations at the Victorian WorkCover Authority for three years.



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## 4. Marcus Kennedy

**General Manager, Financial Services, 45, BSc (Hons), MSc (Geophysics), MBA, MAICD, ASIA**

Joined AWB in 2002. Mr Kennedy is responsible for financial services across both the AWB and Landmark businesses, insurance and product development. He has extensive management experience in both retail and wholesale financial services and across many management functions, including sales and customer management, strategy and product development. Previously, he worked in a number of leadership roles with Westpac, including wealth management, corporate banking and mortgage businesses. Prior to this, Mr Kennedy worked in Europe as a consultant, and in investment banking with Wardley Limited (Hong Kong and Shanghai Banking Corporation) and Westpac. Prior to joining the financial services industry, he was a geophysicist and financial analyst with Exxon Corporation.

## 5. Peter Geary

**General Manager, Trading and Commodities, 44, BBus, GradDip (Marketing)**

Joined AWB in 1985. Mr Geary is responsible for domestic and global trading, international sales and marketing, risk management products for growers and end-users and chartering. His previous positions within AWB have included General Manager of National Wheat Pools, policy and export sales in Africa, Europe, Middle East and South America, as well as the management of AWB's overseas offices in Europe and the United States. Before joining AWB, Mr Geary was employed with the Grain Elevators Board of Victoria (now GrainCorp Limited) for a period of four years. Mr Geary has a family farming background in north east Victoria.



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## 6. Sarah Scales

**General Manager, AWB (International) Limited, 38, BAgSc**

Joined AWB in 1992. Ms Scales is responsible for managing the AWB National Pool and the Single Desk system. Her recent positions within AWB include responsibility for pricing and risk management strategies and the execution of the commodity hedge book in New York. She has also worked in the domestic trading division, trading pulses and wheat. Before joining AWB, Ms Scales worked with Cargill Australia.

## 7. Richard Fuller

**General Manager, Executive and Company Secretary, 45, BA (Hons), PhD (Political Science)**  
Joined AWB in 2000. Dr Fuller is responsible for the management of the Office of the Managing Director and is the Company Secretary. Before joining AWB, he held senior management roles in the insurance industry and positions as a lecturer with the University of Melbourne and RMIT.

## 8. Charles Stott

**General Manager, Rural Services, 45, DipApp Sc (Ag)**  
Joined AWB in 2000. Mr Stott is responsible for Landmark rural services, which includes procurement, merchandise, fertiliser, wool, real estate, livestock and AWB's seeds business. Prior to this, Mr Stott was responsible for strategy and business development, investments, mergers and acquisitions. Previously, he was General Manager, International Sales and Marketing. Mr Stott has worked with BHP Petroleum, where his positions included Project Director and International Business Development Manager. Prior to BHP, he was with the Australian Wheat Board and held various roles including Marketing Manager for the Middle East, Europe and Africa. Mr Stott has extensive international experience in trade finance, risk management, business development and project management across a broad range of industries including agriculture, petroleum and minerals.

## 9. Michael Thomas

**General Manager, Corporate, 37, BAgSc, GradDip AgEc, MEd, ASIA, GAICD**  
Joined AWB in 1998. Mr Thomas is responsible for corporate development (mergers and acquisitions and corporate planning), human resources, stakeholder relations (media, government, grower and investor relations) and marketing. Previously, he held the positions of General Manager, Stakeholder Relations and Head of Investor Relations. Before joining AWB, he was the Executive Officer at SA Farmers Federation. Prior to this, Mr Thomas was the senior economist at Primary Industries South Australia. He was also an economist with private and public consulting companies undertaking consultancies in Asia and the Pacific region.

## 10. John Maher

**General Manager, Operations, 42, BAgSc (Hons), MBA, GAICD**  
Joined Landmark in 1994. Mr Maher is responsible for the national operations of Landmark. Prior to the acquisition of the Landmark rural services business by AWB in August 2003, Mr Maher was General Manager, Network Operations with Wesfarmers Landmark. Mr Maher has also been Regional Manager for Southern Region and General Manager – Livestock. Prior to joining Wesfarmers, Mr Maher was the Head of International Livestock Marketing for the Australian Meat and Livestock Corporation. In that role, he had accountability for the development of the industry's marketing strategy in Australia's Asia Pacific, Middle East and North African livestock markets.



# Corporate Governance

## Governance at AWB

AWB's board and management are committed to conducting the business of AWB in accordance with a strong corporate governance framework and rigorous standards of ethical conduct.

AWB benchmarks itself against the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations, and AWB's governance systems and practices currently meet all of the Best Practice Recommendations (ASX Recommendations). In this corporate governance statement, the descriptions of AWB's corporate governance practices have been linked to each of the ASX Recommendations.

AWB's constitution (available on AWB's website, [www.awb.com.au](http://www.awb.com.au)) is also a key governance document. The constitution was framed by the Australian Government in consultation with the Grains Council of Australia as part of the process of privatising the Australian Wheat Board, effective in July 1999. AWB's systems and practices are designed to ensure compliance with AWB's constitution at all times.

In May 2004, AWB launched the Corporate Governance section on its website. The Corporate Governance section of the website discloses a considerable amount of information about AWB's corporate governance systems and practices.

## Role of the board

The board is responsible for the overall governance of AWB and its strategic direction. This includes setting goals, monitoring performance, and ensuring AWB's internal control and reporting procedures are effective and ethical and that AWB's strategic direction provides value for shareholders.

Regardless of who elects or appoints a director, each director is obliged to act in the interests of AWB as a whole. Although directors may be elected by particular shareholders, directors are not considered the servants or agents of particular groups of shareholders or required to follow directions of or requests from any group of shareholders (whether constituted by class or region).

AWB has adopted a formal board charter, which is reviewed and updated on an annual basis. The division of responsibilities between the board and management is set out in formal delegations and a system of board reserved powers. Summaries of both the board charter and the system of reserved powers are available in the Corporate Governance section of AWB's website.

*(ASX Recommendation 1.1)*

## Standard Terms of Appointment

Upon appointment to the board, each director receives a letter of appointment which sets out the key terms and conditions of their appointment.

The managing director, the chief financial officer and other key executives all have letters of appointment, or contractual equivalents, describing their terms of office, duties, rights and responsibilities and entitlement on termination.

*(ASX Recommendation 1.1)*

## The Composition of the board

The constitution of AWB contains provisions which ensure that 11 of the 12 directors are non-executive directors. This ensures that there are a sufficient number of non-executive directors to:

- bring an independent view to the board's deliberations;
- help the board (and the chairman) provide the company with effective leadership and ensure that the company is competently run in the interests of all shareholders; and
- foster the continuing effectiveness of the managing director and management.

The board of AWB comprises:

- seven A class directors, elected by the A class shareholders in various regions as follows:
  - NSW/ACT – two A class directors;
  - WA – two A class directors;
  - SA – one A class director;
  - VIC/TAS – one A class director;
  - QLD/NT – one A class director;
- two B class directors (elected by B class shareholders);
- two additional directors (appointed by the A class directors); and
- the managing director.

The constitution requires all of the directors to elect an A class director as chairman.

The profiles of the directors at the date of this report, including a description of their skills, experience and expertise relevant to the position of director, are set out on pages 46 – 47.

The board met 14 times during the financial year. Refer to page 58 for details of the attendance by directors at those meetings.

*(ASX Recommendations 2.2, 2.3 and 2.5)*

## Independence

All of the current 11 non-executive directors of AWB Limited are independent, being independent of management and having no business or other relationship that could compromise their autonomy.

The board has adopted the definition of independence set out in Box 2.1 of the ASX Recommendations. However, the board has determined that a director is not considered to lack independence by reason only that the director (either directly or indirectly through entities associated with the director) has a material personal interest in the sale of wheat or other grain to a company in the AWB Group and/or is a customer for products or services of a company in the AWB Group. The board has not set materiality thresholds and will consider the circumstances on a case by case basis.

The constitution requires A class and B class directors to retire and submit themselves for re-election at the third annual general meeting following their initial (and each subsequent) appointment. An additional director may be appointed for a term of up to three years, and may be considered for re-appointment at the expiry of the previous term.

At the date of this report, the period of office of each director of AWB Limited (rounded to the nearest six months) is as follows:

Brendan Stewart (chairman)	5 years
Andrew Lindberg (managing director)	5 years
Kerry Sanderson	6 years
Christopher Moffet	6 years
Warrick McClelland	6 years
John Simpson	6 years
Robert Barry	6 years
John Thame	6 years
Xavier Martin	2 years
Brendan Fitzgerald	2 years
Peter Polson	2 years
Steve Chamarette	1 year.

The constitution limits the tenure of A class directors to the period expiring at the ninth consecutive annual general meeting after their initial appointment (other than an A class director who has acted as chairman who may hold office until the twelfth consecutive annual general meeting after their initial appointment). The constitution limits the tenure of an additional director to the period expiring at the sixth consecutive annual general meeting after their initial appointment. The constitution does not currently limit the tenure of B class directors.

*(ASX Recommendations 2.1 and 2.5)*

## Board Committees

The board has several committees of its members to support effective corporate governance. These committees are advisory in nature and do not exercise any powers.

### Audit Committee

The role of the Audit Committee is documented in a charter which is approved by the board. The principal

functions of the Committee are to:

- monitor AWB's Risk Management Program on an overall basis. (The Group Corporate Risk Committee has responsibility for monitoring risk management activities for market (commodity price, currency, interest rate) and credit risks);
- ensure that the accounting policies and practices are appropriate and in accordance with generally accepted practices including such advice and information which the external and internal auditors are responsible for providing to the Committee from time to time;
- ensure that the financial statements of AWB Limited accurately reflect a true and fair position of its financial operations;
- ensure that proper internal controls exist in relation to AWB's financial transactions;
- review risk management practices and processes and monitor the control of corporate operating risks and exposures;
- monitor policies and procedures to ensure compliance with statutory and legal, financial and corporate governance responsibilities and overall efficiency and effectiveness of AWB's operations;
- monitor and advise on the warranties provided by AWB Limited to AWB (International) Limited with respect to the operations and financial reports of the AWB National Pool;
- provide through regular meetings, a forum for communication between the board, senior financial management and the internal and external auditors;
- provide an advisory and liaison role for the AWB Limited board in relation to audit advice, risk management advice and information with relevant external bodies; and
- monitor audit recommendations to ensure that they are implemented.

The constitution of AWB (article 3.1(f)) requires the board to ensure that separate accounts are prepared for the business of AWB (International) Limited – that is, in relation to the AWB National Pool. The accounts of the AWB National Pool are reviewed by the Audit Committee and the board of AWB (International) Limited.

The Committee's charter requires that it consist of at least three non-executive directors, with qualifications as to independence, financial expertise and financial literacy as set out in the commentary and guidance to the ASX Recommendations.

The members of the Audit Committee are Mr Robert Barry (Chair), Mr Brendan Stewart (ex-officio), Mr Brendan Fitzgerald, Mr Xavier Martin, Mr Warrick McClelland and Mr John Thame. Members of the committee are financially literate and the chairman, Mr Robert Barry, and Mr John Thame have extensive financial experience. (Refer to pages 46 – 47 for details of the qualifications and experience of committee members.)

The Audit Committee met eight times during the financial year. Refer to page 58 for details of the attendance by

committee members at those meetings. Generally, some or all of the managing director, the chief financial officer, the chief risk officer, the company secretary, a representative of internal audit and a representative of the external auditor were also present for at least part of each meeting at the invitation of the Committee. As part of this process, the Committee meets with both the internal and external auditors without the managing director or other members of management present.

The Audit Committee Charter is available in the Corporate Governance section of AWB's website.

The company's external auditors, Ernst & Young, were appointed in September 1998, prior to AWB's listing on the Australian Stock Exchange (ASX) on 22 August 2001. The Audit Committee is responsible for nominating future external auditors. A description of the arrangements for the selection and appointment of the external auditor is available in the Corporate Governance section of AWB's website.

*(ASX Recommendations 4.2, 4.3, 4.4 and 4.5)*

### **Group Corporate Risk Committee**

The role of the Group Corporate Risk Committee is documented in a charter which is approved by the boards of directors of AWB Limited and AWB (International) Limited. The principal functions of the Committee are to:

- act as an advisory Committee of both the AWB Limited board and the AWB (International) Limited board on discharging each boards' responsibilities as they relate to policy, guidelines, controls, management and reporting of market and credit risks affecting the AWB Group (both AWB Limited and AWB (International) Limited);
- provide, through regular meetings, a forum for communication between the AWB Limited and AWB (International) Limited boards and senior management on market and credit risk management issues; and
- provide an advisory and liaison role for the AWB Limited and AWB (International) Limited boards in relation to advice and information relating to market and credit risk management matters. This role is co-ordinated with the Audit Committee's role of monitoring the Risk Management Programme on an overall basis.

The Committee's charter requires that at least three non-executive directors of AWB Limited should be members of the Committee, at least one of whom should also be a director of AWB (International) Limited and that, where possible, the chair of the Committee should be a director of both AWB Limited and AWB (International) Limited.

The members of the Group Corporate Risk Committee are Mr Peter Polson (Chair) (a director of both AWB Limited and AWB (International) Limited), Mr Brendan Stewart (ex-officio), Mr Andrew Lindberg, Mr Steve Chamarette, Mr Christopher Moffet and Mrs Kerry Sanderson. (Refer to pages 46 – 47 for details of the qualifications and experience of committee members.)

The Group Corporate Risk Committee met six times during the financial year. Refer to page 58 for details of the attendance by committee members at those meetings.

A summary of the Group Corporate Risk Committee Charter is available in the Corporate Governance section of AWB's website ([www.awb.com.au](http://www.awb.com.au)).

### **Remuneration Committee**

Information about the Remuneration Committee is set out in the Remuneration Report which is incorporated in the Directors' Report (page 53).

*(ASX Recommendations 9.2 and 9.5)*

### **Nomination Committee**

The role of the Nomination Committee is documented in a charter approved by the AWB Limited board. The principal function of the Committee is to advise the boards of AWB Limited and AWB (International) Limited on membership and the making of new appointments. In particular, the Committee advises on:

- the composition of the board and advice to be given by the board to shareholders in accordance with articles 19.15 and 19.18 of AWB's constitution;
- the range of skills available on the board and appropriate balance of skills for future board membership;
- the appointment of an external expert to advise on the composition of the board and candidates for election;
- identification of prospective candidates for positions of director;
- recommendations by the board to shareholders in connection with board elections to enable shareholders to effectively discharge their function under article 19.15 of AWB's constitution;
- implementation of the election process generally; and
- succession of the chairman.

The Committee's charter requires that the Committee consist of the chair of the AWB Limited board and two non-executive directors of AWB. The non-executive directors are to consist of one A class director and one B class or additional director.

The members of the Nomination Committee are Mr Brendan Stewart (Chair), Mr Robert Barry and Mr Xavier Martin. (Refer to pages 46 – 47 for details of the qualifications and experience of committee members.)

The Nomination Committee met six times during the financial year. Refer to page 58 for details of the attendance by committee members at those meetings.

A summary of the Nomination Committee Charter is available in the Corporate Governance section of AWB's website. Also available on the website is a description of the procedure for the selection and appointment of new directors to the board, which includes the policy of the Nomination Committee for the appointment of directors.

*(ASX Recommendations 2.4 and 2.5)*

## Services Agreement Committee

The Services Agreement is the contract under which AWB Limited, through its subsidiary AWB Services Limited, provides services to AWB (International) Limited.

The role of the Services Agreement Committee is documented in a charter which is approved by the AWB Limited board. The principal functions of the Committee are to:

- review the Services Agreement;
- negotiate any amendments to the Services Agreement with the Compliance Committee of the AWB (International) Limited board; and
- make recommendations to the AWB Limited board on the Services Agreement.

The Committee's charter requires that the membership of the Committee is to be drawn from directors who are not also directors of AWB (International) Limited.

The members of the Services Agreement Committee are Mr John Simpson (Chair), Mr Steve Chamarette, Mr Brendan Fitzgerald, Mr Warrick McClelland and Mrs Kerry Sanderson. (Refer to pages 46 – 47 for details of the qualifications and experience of committee members.)

The Services Agreement Committee met twice during the financial year. Refer to page 58 for details of the attendance by committee members at those meetings.

## Investment Committee

The role of the Investment Committee is documented in a charter approved by the board. The Committee was established to oversee, on behalf of the AWB Limited board, major acquisitions and the successful integration of these acquisitions.

The Committee's charter requires that the Committee consist of the chairman, the managing director and up to four other directors.

The members of the Investment Committee are Mr Brendan Stewart (Chair), Mr Andrew Lindberg, Mr Robert Barry, Mr Christopher Moffet, Mr Peter Polson and Mr John Thame. (Refer to pages 46 – 47 for details of the qualifications and experience of committee members.)

The Investment Committee met four times during the financial year. Refer to page 58 for details of the attendance by committee members at those meetings.

## Board Performance

Every 18 months to two years, the boards of AWB Limited and AWB (International) Limited conduct formal reviews of their performance in meeting shareholder and other stakeholder expectations. The chairman also discusses with each individual director his or her contribution to the board.

The most recent performance reviews took place during the reporting period.

A description of the performance evaluation process of the board, its committees and individual directors and key executives is available in the Corporate Governance section of AWB's website.

*(ASX Recommendation 8.1)*

## Director Education

AWB provides assistance to directors of AWB Limited and AWB (International) Limited who wish to complete the Australian Institute of Company Directors' education program and other programs which can be shown to add value to the director's role. In addition, AWB holds several in-house seminars each year to update directors on issues relevant to their position as directors.

## Independent Legal Advice and Access to Company Information

Directors of both AWB Limited and AWB (International) Limited are entitled to any information they need or require from their respective companies to exercise their functions and to fulfil their duties as directors and, subject to prior approval by the chairman (which is not to be unreasonably withheld), may seek independent legal advice at the company's expense on any issue submitted to the board.

*(ASX Recommendation 2.5)*

## Remuneration Policy

Information in relation to AWB's remuneration policy and details about the remuneration paid to directors and executives are set out in the Remuneration Report incorporated in the Directors' Report on pages 53.

*(ASX Recommendations 9.1, 9.3, 9.4 and 9.5)*

## Share Dealing by Directors

The board of AWB Limited has adopted Share Dealing Guidelines which restrict share trading by directors, AWB managers, AWB staff with financial reporting responsibilities and their associates to specified "window periods".

The window periods are as follows:

- (i) six weeks commencing two days after announcement of the half year results;
- (ii) six weeks commencing two days after announcement of the annual results;
- (iii) six weeks commencing two days after the company's annual general meeting;
- (iv) in the period of a qualifying prospectus, six weeks from the date of the allotment of shares; and
- (v) any other period, of such duration, as determined by the board of AWB Limited from time to time.

The guidelines make clear that prohibitions on insider trading must be complied with at all times. The guidelines also prohibit dealing in AWB shares on a short-term basis by directors and AWB management.

A summary of the Share Dealing Guidelines is available in the Corporate Governance section of AWB's website.

*(ASX Recommendations 3.2 and 3.3)*

## Continuous Disclosure

AWB Limited has implemented Continuous Disclosure Guidelines to ensure that AWB Limited meets its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

Under these guidelines, information which may have a material effect on the price or value of AWB Limited's securities is monitored and referred to a Continuous Disclosure Coordinator. The Continuous Disclosure Coordinator is responsible for examining the material to determine whether the matter must be disclosed and may refer the matter to AWB's General Counsel or external advisers to determine whether consideration is required by the managing director, chief financial officer or the board.

A more detailed summary of the Continuous Disclosure Guidelines is available in the Corporate Governance section of AWB's website.

*(ASX Recommendations 5.1 and 5.2)*

## Conflicts and Declarations of Interests

The boards of AWB Limited and AWB (International) Limited have procedures in place for the disclosure and resolution of any matter which may give rise to actual or potential conflicts between the interests of a director and those of their respective companies.

## Identification and Management of Significant Business Risks

AWB has in place a comprehensive monitoring, management and reporting framework that allows business risks to be identified, managed and overseen in a timely and efficient manner. AWB actively mitigates risks and optimises AWB's resources not only to protect the company but also to provide a sound return to shareholders commensurate with the risk profile adopted.

AWB has implemented an Enterprise-wide Risk Management (ERM) system that provides a comprehensive risk profile of the company and allows for formalised on-going risk monitoring and reporting to the company's Executive Leadership Group, the AWB Group Corporate Risk Committee, the AWB (International) Limited board Compliance Committee, the board Audit Committee and the boards of both AWB Limited and AWB (International) Limited.

The internal audit plan is designed to be risk focused and is aligned with the ERM risk profile. It takes into consideration the company's strategic initiatives, and provides assurance on risks and their control status to the board Audit Committee. The internal audit function is outsourced to a professional firm, PricewaterhouseCoopers, and is managed in line with the key objectives of AWB's Corporate Risk Unit.

The managing director and the company's Executive Leadership Group are responsible for managing risk and reporting to the board and board committees. A key feature of this arrangement is the role of the chief risk officer (as

head of the Corporate Risk Unit). The chief risk officer reports to company's Executive Leadership Group for risk purposes and also has an independent reporting line to the Audit Committee, the Group Corporate Risk Committee and the AWB (International) Limited Compliance Committee. The Corporate Risk Unit continually monitors the company's risk profile, particularly that of the trading activity, and has authority to report to any level of executive management or the board any significant concerns that may arise. This is particularly so of issues that arise outside of the formal reporting timetable.

Annual financial budgets are compiled and submitted by management to the board for approval. Monthly reports from the chief financial officer and managing director are provided to the board for oversight of financial and non-financial risk exposures and performance.

Issues considered worthy of further attention by the board are managed through the use of a corporate action list, controlled by the company secretary. This is used to register and manage requests of management raised by the board of directors.

Risk mitigation is also undertaken by an insurance program managed by the Corporate Risk Unit. It is continually monitored and enhanced to match the company's changing business profile, and is also regularly reported on to the board.

AWB is currently developing a group-wide Market Risk Control Policy. This policy will form a centralised market risk control framework and consolidated basis for the management, control, oversight and assurance around AWB's group-wide market risk activities.

A description of AWB's risk management policy and internal compliance and control system is available on the Corporate Governance section of AWB's website.

The managing director and the chief financial officer have stated in writing to the board that:

- the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards; and
- the above statement is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the board, and that system is operating efficiently and effectively in all material respects.

*(ASX Recommendations 4.1, 7.1, 7.2 and 7.3)*

## Corporate Ethics and Code of Conduct

The boards of AWB Limited and AWB (International) Limited are committed to clearly promoting and demonstrating that their business affairs and operations are at all times being conducted legally, ethically and in accordance with the highest standards of integrity and propriety. This is a fundamental principle of AWB's operations and business affairs. The AWB Corporate Ethics and Code of Conduct policy is based on this principle and

its observance provides the foundation on which the company's reputation with growers, customers, suppliers and stakeholders is based.

The Corporate Ethics and Code of Conduct policy (available in the Corporate Governance section of AWB's website) sets out the values, responsibilities and obligations of board members and all employees of AWB.

*(ASX Recommendations 3.1, 3.3 and 10.1)*

## Occupational Health and Safety Policy

AWB Limited is committed to providing and maintaining a healthy and safe working environment for all people attending AWB's workplace and recognises its obligations under the applicable occupational health and safety (OH&S) legislation.

AWB has an integrated policy to address OH&S issues which is reviewed regularly to ensure that AWB maintains "best practice" procedures in relation to OH&S issues.

In 2004, AWB became the first business in the grains industry to achieve AS 4801 accreditation, the Australian Management Standard for OH&S management systems. AS 4801 accreditation requires that AWB, at the very minimum: meets best practice OH&S standards; has an OH&S management system which is externally and independently assessed against best practice criteria; has a method to assess the implementation of its OH&S management system throughout the organisation externally and independently; and demonstrates workplace corporate responsibility. AWB is now seeking the same level of accreditation for AWB's Landmark business.

## Environmental Policy

AWB's Environmental Policy states that:

- the company is committed to sustainable development;
- environmental, health, safety and community responsibilities are integral to the company's business operations;
- AWB employees are encouraged to be pro-active in these matters; and
- accountability for the environment, health and safety is a core value of the company.

## Corporate Social Responsibility

AWB was one of 26 companies that participated in the inaugural Australian Corporate Responsibility Index, an initiative of St James Ethics Centre. St James Ethics Centre describes the index as "a strategic management tool to enhance the capacity of businesses to develop, measure and communicate best practice in the field of corporate social responsibility. It does this through benchmarking corporate social responsibility strategy and implementation process across the four key impact areas of community, workplace, marketplace and environment." In participating in the process, AWB demonstrated its leadership and commitment to corporate social responsibility practices.

The directors of AWB Limited and AWB (International) Limited also contribute to the community in an individual capacity. These activities range from contributing their time and experience to charitable organisations, research foundations, Rotary, land care groups and education foundations and associations through to volunteering for the local fire service.

## Reporting to Shareholders

The board aims to ensure that AWB Limited's shareholders are informed of all major developments affecting the company.

Information is regularly communicated to shareholders via regular announcements to the ASX in accordance with AWB's continuous disclosure obligations, media releases, periodic mail-outs and grower briefing meetings. Information is also freely available from AWB's Investor Centre on its website [www.awb.com.au](http://www.awb.com.au)

In addition, a copy of the Annual Report is distributed to all shareholders and is available from the company's website. The board ensures that the Annual Report accurately includes all relevant information about the company including details of its operations, future development and any disclosures required by the Corporations Act and the ASX Listing Rules.

The board encourages full participation by shareholders at the annual general meeting to ensure a high level of accountability and to ensure that shareholders remain informed about AWB Limited's strategy and goals. Important issues are presented to shareholders as single resolutions.

AWB's external auditors, Ernst & Young, are invited to attend the annual general meeting to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's reports.

Further information about AWB's arrangements to promote communications with shareholders, including by electronic means, is available in the Corporate Governance section of AWB's website ([www.awb.com.au](http://www.awb.com.au)).

*(ASX Recommendations 6.1 and 6.2)*

# Board of Directors

AWB Limited



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## 1. Brendan Stewart

**Chairman, Non-executive director, 38, MAICD**

*Committees: Nomination (Chair), Remuneration (Chair), Investment (Chair), Group Corporate Risk (ex-officio member) and Audit (ex-officio member)*

Appointed on 3 February 2000 and re-elected on 13 March 2003. Mr Stewart was elected by the directors as Chairman on 14 March 2002 and re-elected Chairman on 13 March 2003. Mr Stewart is also Chairman and a non-executive director of AWB (International) Limited. Mr Stewart operates a 3,200 hectare property that produces grain, cotton and cattle at Chinchilla, Queensland. He is a former President of Queensland Graingrowers Association and Grains Council of Australia and was Chair of the Joint Ministerial Working Group on the Australian Wheat Board Restructure and Vice President of National Farmers' Federation (NFF). Mr Stewart is a former Chairman of the NFF Economics and Trade Committee and former chairman of Wideland Insurance Brokers Pty Limited. In January 2003, Mr Stewart was appointed inaugural Chairman of the Council for Australian Arab Relations.

## 2. Andrew Lindberg

**Managing Director, 51, BComm, BSc, MBA, FAICD**

*Committees: Group Corporate Risk and Investment*  
(Refer to page 38 for personal details)

## 3. Robert Barry

**Deputy Chairman, Non-executive director, 57, BCom, FCPA, FAICD**

*Committees: Audit (Chair), Nomination and Investment*

Appointed on 12 January 1999, re-elected on 15 March 2001 and again on 11 March 2004. Mr Barry is the current Deputy Chairman of AWB Limited and Chairman of the Audit Committee. Mr Barry has extensive financial experience in domestic and international capital markets. He was Chief Executive Officer of Dominguez Barry Samuel Montagu Limited (a predecessor to UBS Australia) and Head of International Capital Markets for the Midland Bank Group in London. Mr Barry is Chairman of Snowy Hydro Limited and a non-executive director of Queensland Cotton Holdings Limited and Unisearch Limited. Mr Barry has a farming interest at Willow Tree, NSW.



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## 4. Brendan Fitzgerald

**Non-executive director, 60, Cert Rural Mgmt, FCDA**

*Committees: Audit and Services Agreement*

Elected on 13 March 2003. Mr Fitzgerald is a grain grower from Kimba in SA. He has operated, in partnership with his family, a farming and contract harvesting business since 1975. In 1986, Mr Fitzgerald was elected to the SACBH board and as a director was involved in finance and audit, nomination/remuneration and listing committees and chaired the strategic infrastructure committee. After demutualisation, he was Deputy Chairman of AusBulk and United Grower Holdings. Mr Fitzgerald has studied export grain marketing and storage in North America, South Africa and England.

## 5. Steve Chamarette

**Non-executive director, 60, BEcons, MSc, GAICD**

*Committees: Group Corporate Risk and Services Agreement*

Elected on 11 March 2004. Mr Chamarette is a grain grower from Trayning, Western Australia and a WA Farmers Grains Council delegate. He is also a Graduate Member of the Australian Institute of Company Directors.

## 6. Xavier Martin

**Non-executive director, 45, FAICD**

*Committees: Nomination and Audit*

Elected on 13 March 2003. Mr Martin is a wheat grower and director of his family farming enterprise near Gunnedah, NSW. During the past decade, Mr Martin has been representing growers in leadership positions across a range of organisations including NSW Farmers Association, Grains Council of Australia, Durum Wheat Growers Association and the new Australian Durum Industry Association. Mr Martin is a director of various private companies and the public company, Plant Health Australia Limited.

## 7. Warrick McClelland

**Non-executive director, 61, BAgSc**

*Committees: Audit and Services Agreement*

Appointed on 4 November 1998 and re-elected on 14 March 2002. Mr McClelland is a grain and livestock producer from Birchip in Victoria. He was a Founding Committee Member of the Birchip Cropping Group, Founding Chairman of Birchip



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Promotion Committee and Founding Chairman of Grains Industry Training Network (Victoria). Mr McClelland is a former Victorian Farmers Federation Grains Council President and Grains Council of Australia Deputy President and a former director of BRI Australia.

## 8. Christopher Moffet

**Non-executive director, 61, FAICD**

*Committees: Group Corporate Risk and Investment*

Appointed on 4 November 1998 and re-elected on 14 March 2002. Mr Moffet's grain industry experience includes ownership of a 16,000 hectare grain and grazing property and involvement in the areas of finance, marketing and business management. Mr Moffet's qualifications incorporate a former directorship of Morawa Cooperative and over 30 years of WA Farmers Federation membership, including roles as President of branch, zone and Federation's Grains Council and executive member of Grains Council of Australia. As a director of Grain Pool of WA for eight years, Mr Moffet completed studies in grain trading and futures management at the Chicago Board of Trade. Mr Moffet is a Fellow of the Australian Institute of Company Directors and has recently been awarded the Advanced Diploma from the Institute.

## 9. Peter Polson

**Non-executive director, 58, BComm, MBL**

*Committees: Group Corporate Risk (Chair), Remuneration and Investment*

Appointed on 31 March 2003. Mr Polson has broad experience in the financial services industry, first as Managing Director of the international funds management business with the Colonial group, then as an executive with the Commonwealth Bank group with responsibility for all investment and insurance services for the group, including the CBA group's funds management, master funds, superannuation and insurance businesses and third party support services for brokers, agents and financial advisers. In 2003, Mr Polson commenced his career as a non-executive director. Mr Polson is Chairman of Challenger Financial Services Group Limited and a director of Challenger Life Limited and Professional Indemnity Insurance Company of Australia Pty Limited.

## 10. Kerry Sanderson

**Non-executive director, 54, AO, BSc, BEcons, MAICD, FCIT, FAIM**

*Committees: Group Corporate Risk and Services Agreement*

Appointed on 1 May 1998, and re-elected on 14 March 2002. Mrs Sanderson is Chief Executive Officer of Fremantle Ports Authority in Western Australia and Vice President of the Association of Australian Ports and Marine Authorities Inc. Mrs Sanderson has specific skills in business management and trade promotion with experience in transport and shipping. She is a member of the Board of Trustees of the Fremantle Hospital Medical Research Foundation, a director of Rio Tinto WA Futures Foundation and a member of the Australian Logistics Council. She is a Fellow of the Chartered Institute of Transport and of the Australian Institute of Management. Mrs Sanderson was a member of the Board of the Australian Wheat Board from 1995.

## 11. John Simpson

**Non-executive director, 45**

*Committees: Services Agreement (Chair) and Remuneration*

Appointed on 4 November 1998 and re-elected on 14 March 2002. Mr Simpson is a former director of AWB (International) Limited. Mr Simpson is joint Managing Director of Nowranie Pastoral Co Pty Limited, a family owned company farming 10,000 hectares in the Riverina of NSW. He was a representative for grain growers on the NSW Farmers' Association Grains Committee for seven years, serving two years as vice chairman.

## 12. John Thame

**Non-executive director, 62, FCPA**

*Committees: Audit, Remuneration and Investment*

Appointed on 9 April 1999 and re-appointed on 14 March 2002. Mr Thame joined the NSW Building Society in 1971 and oversaw the conversion of the Society to Advance Bank in 1985. He was Chief Executive Officer of Advance Bank from 1985 until its merger with St George Bank in January 1997. Mr Thame is Chairman of St George Bank Limited, and on the board of Reckon Limited, Village Building Co Limited and Abacus Property Group Limited.

## 13. Richard Fuller

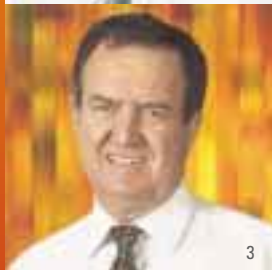
**General Manager Executive and Company Secretary, 45, BA (Hons), PhD (Political Science)**

(Refer to page 39 for personal details)



# Board of Directors

## AWB (International) Limited



AWB (International) Limited (AWBI), is a wholly owned subsidiary of AWB Limited, created to operate the AWB National Pool as a requirement of the AWB constitution and the Wheat Marketing Act 1989. The constitution of AWBI was framed by the Australian Government in consultation with the Grains Council of Australia as part of the process of privatising the Australian Wheat Board, effective in July 1999.

The board of AWBI under its constitution has responsibility to maximise the net pool return for growers who sell wheat into the AWB National Pool by securing, developing and maintaining markets for wheat and by minimising costs as far as practicable. Directors of AWB Limited under their constitution have the same obligation to growers. Thus, the two constitutions and the governance obligations of the two boards of directors are aligned.

AWBI has a separate board from AWB Limited. Since AWBI should not on its own account make either a profit or a loss, the primary function of the board is to watch over the interests of growers in maximising net returns from the AWB National Pool. While the chairman and three other directors are required under AWBI's constitution to be common to the boards of both AWB Limited and AWBI, three directors – Wayne Gibson, Clinton Starr and Ian Donges – are grower elected directors for AWBI only. (Their qualifications and experience are set out at the end of this statement.)

The board of AWBI comprises:

- three A class directors, elected by the A class shareholders of AWB Limited in various regions as follows:
  - NSW/ACT – one A class director;
  - WA – one A class director;
  - QLD/VIC/SA/NT/TAS – one A class director;
- the chairman of AWB Limited;
- the managing director;
- one A class director of AWB Limited other than the chairman; and
- one other director of AWB Limited.

The board met nine times during the financial year.

For details of the remuneration paid to each director of AWBI, refer to the Remuneration Report incorporated in the Directors' Report (page 53).

The Wheat Export Authority, a Commonwealth statutory authority, monitors AWBI's performance in accordance with the Wheat Marketing Act 1989.

### Compliance Committee

The AWBI board has appointed a Compliance Committee – the membership of which is restricted to the three directors directly appointed to AWBI by growers – to oversee the relationship between AWB Limited and AWBI.

A charter issued by the board of AWBI establishes the purpose, role and functions of the Committee.

The Compliance Committee has the responsibility of ensuring that:

- any dealing that AWBI has with its parent and subsidiaries of AWB Limited are not in conflict with the objectives of AWBI as operator of the AWB National Pool;
- the business rules and obligations as set down in the Services Agreement with AWB Services Limited are observed and maintained and are consistent with the objectives of AWBI as operator of the AWB National Pool; and
- the requirements of the appropriate laws, regulations, the constitution of AWB Limited, the constitution of AWBI and appropriate industry codes, agreements and regulations are observed.

Although both AWBI and AWB Limited have specific constitutional requirements to maximise and distribute net pool returns to growers, the Compliance Committee is designed as an additional mechanism to ensure that these obligations to growers are fulfilled. In fulfilling its charter, the Compliance Committee reports to the board of AWBI.

AWBI has charged the Compliance Committee with responsibility of negotiating the Services Agreement with AWB Limited.

The Committee met seven times during the financial year. The members of the Compliance Committee are Mr Clinton Starr (Chair), Mr Ian Donges and Mr Wayne Gibson.

### AWB (International) Limited 2004 Review Committee

The role of the AWB (International) Limited board 2004 Review Committee is to oversee the company's contribution to the review of AWBI's performance in operating the Single Desk. This review was conducted in accordance with the Wheat Marketing Act 1989.

The Committee met four times during the financial year. The members of the AWB (International) Limited 2004 Review Committee are Mr Clinton Starr (Chair), Mr Brendan Stewart and Mr Andrew Lindberg.

## 1. Brendan Stewart

**Chairman, Non-executive director**

*Committee: AWBI 2004 Review*

(Refer to page 46 for personal details)

## 2. Andrew Lindberg

**Director**

*Committee: AWBI 2004 Review*

(Refer to page 46 for personal details)

## 3. Christopher Moffet

**Non-executive director**

(Refer to page 47 for personal details)

## 4. Peter Polson

**Non-executive director**

(Refer to page 47 for personal details)

## 5. Ian Donges

**Non-executive director, 58, FAICD**

*Committee: Compliance*

Appointed on 15 March 2001 and re-elected on 11 March 2004, Mr Donges is a grain grower from central NSW. He has operated, in partnership with his wife, a farming business since 1975. Mr Donges has extensive representative involvement in farm organisations including at a local level through NSW Farmers and the NSW Agricultural Bureau. At a State level Mr Donges has been involved with NSW Farmers, serving that organisation in a number of capacities including President for three years and Chairman of the Grains Committee. Mr Donges represented NSW on the Grains Council of Australia and is immediate past president of the National Farmers' Federation. Mr Donges is Chairman of the Grain and Graze Program, an initiative of three research and development corporations. Mr Donges is chairman of Horticulture Australia Limited, and a member of the board of the CRC for salinity research.

## 6. Wayne Gibson

**Non-executive director, 56, MCDA**

*Committee: Compliance*

Appointed on 3 February 2000 and re-elected on 13 March 2003. Mr Gibson is a grain grower from Kondinin, Western Australia and a former executive committee member of the Kondinin Group and former WA Farmers Federation Zone President and Grains Council delegate. Mr Gibson is a Councillor of the Kondinin Shire Council and a member of the Corporate Directors' Association of Australia.

## 7. Clinton Starr

**Non-executive director, 57, BEc, MBA**

*Committees: Compliance (Chair) and AWBI 2004 Review (Chair)*

Appointed on 4 November 1998 and re-elected on 14 March 2002. Mr Starr has had 20 years experience in international funds management, including 10 years experience in international funds marketing. This extended to all main asset classes and he served as an executive director from 1986 until 1998 both in Australia and overseas. Since 1998, he has managed the family partnership, which has interests in small company management consulting and farming. He is also a non-executive director of Multiimedia Limited (Director/Deputy Chairman), Biological Farmers of Australia (Co-op) Limited, Green Environmental Pty Limited (Chairman), Mulch-Tech Pty Limited, Green Planet Holdings Pty Limited (Chairman), Longboat Holdings Pty Limited (Chairman), ACN 107 658 551 Pty Limited (Chairman) and Aussie Signs Pty Limited (Deputy Chairman). Mr Starr is currently completing a Doctorate in Business Administration at RMIT, researching the optimal growth paths for small/medium entrepreneurial businesses in Australia.

## 8. Richard Fuller

**General Manager Executive and Company Secretary, 45, BA (Hons), PhD (Political Science)**

(Refer to page 39 for personal details)

