



# GOVERNANCE OF FARMLANDS

## Board Composition and Election Process

Farmlands has nine members of the Board of Directors, consisting of:

- Three elected Shareholder Directors from the North Island
- Three elected Shareholder Directors from the South Island
- Three Independent Directors

Shareholder Director Elections are held annually, with one Shareholder Director from each Island retiring by rotation. At the time of publishing, the results of the 2022 Director Election have not been announced.

Changes to the Farmlands Rules are being proposed at the 2022 Annual General Meeting.

## Board Responsibilities

The Farmlands Board follows best governance practice and the four pillars of governance, as advocated by the New Zealand Institute of Directors, establish the basis for that best practice.

The four pillars are:

- Determining purpose
- An effective governance culture
- Holding to account
- Effective compliance

More specifically, the responsibilities include directing and supervising management in the following areas:

- Ensuring that the co-operative's goals are clearly established, and strategies put in place to achieve them
- Establishing there are policies to improve performance
- Monitoring the performance of management
- Overseeing and monitoring the co-operative's financial position
- Ensuring that the co-operative adheres to appropriate values, ethics and corporate behaviour
- Ensuring that there are risk management and compliance policies in place

## Board Committees

The Farmlands Board operates two multi-director committees:

- **Audit and Risk Management** – Julie Bohnenn (Chair), Sjoerd Post, Gray Baldwin, Claire Nicholson and Rob Hewett
- **People and Performance** – Warren Parker (Chair), Dawn Sangster, Chris Dennison, John Journee and Rob Hewett

The Audit and Risk Management Committee assists the Board in matters relating to auditing, financial reporting and risk.

The People and Performance Committee provides guidance to the Board and the Executive team on the development of Farmlands' people and governance strategies. The Committee's functions include recommending to the Board annual goals, performance evaluation and remuneration for the Executive, and providing recommendations regarding the remuneration of Directors.

## Board Meetings

There are eight Farmlands Board meetings held each year, with extra meetings held if required. Management reports from across the business are provided to Directors prior to the monthly meetings.

Senior management from the co-operative are introduced to answer specific queries on those reports and to provide insight into relevant issues. Time is also scheduled to co-design and update the co-operative's strategy and ensure performance remains 'fit for purpose'.

## Board Observer Programme

Farmlands operates its own Board Observer programme. This position is for a fixed term of 18 months and provides one Farmlands shareholder with the ability to shadow the Board of Directors. Designed to elevate capability for shareholders interested in governance, the Board Observer role retains full speaking rights at Board meetings, although they are unable to vote on co-operative matters.

Fostering a new generation of governance leaders who have developed critical thinking that reflects the changes within our sector will ensure the longevity of our co-operative.