



FARM MANAGEMENT CANADA
GESTION AGRICOLE DU CANADA

DIRECTORS' DUTIES AND OBLIGATIONS: HIGHLIGHTS FOR BOARD NOMINATION CONSIDERATION

Objectives of Farm Management Canada

1. Increase awareness of the principles of farm business management and the potential gains of applying these principles in the management of a farm operation;
2. Improve farm business management in the areas of strategic and business planning (including risk management and transition planning), financial literacy (including financial management and economic sustainability), and on-farm leadership (including communication, farm team harmony, and mental health);
3. Increase the extent of the application of farm business management principles, skills and tools to achieve a positive change in management behaviour towards resilient and thriving farm operations.

Board Roles and Responsibilities

Stewardship

The Directors' role is one of stewardship of Farm Management Canada. Stewardship means that Directors cannot be mere figureheads; Directors must exercise leadership visibly and assertively as and when necessary.

The ultimate accountability for major strategic decisions and the exercise of general discretion must always rest with Farm Management Canada's Directors. Oversight must be proactive and effective.

General Duties

The Board is responsible for directing the organization and protecting the owners' interests by:

- providing strategic direction to the organization;
- driving the development of corporate policies;
- ensuring the effective performance of the Executive Director; and
- making decisions in the best interests of the organization as a whole.

Specific Duties

To achieve these results, the Board will:

- ensure compliance with legal responsibilities and due diligence;
- ensure adequate controls are in place to manage risks and financial resources;
- assign roles and responsibilities and delegation of authority;
- ensure communications with key stakeholders;

- approve all financial expenditures which do not fall within the Board-developed budget parameters;
- provide direction for the development and publication of a corporate long-term Strategic and annual Business Plan including a vision, strategic directions and goals, and monitor the implementation of these plans by the Executive Director; and
- ensure the annual review and updating of Board policies.

Director Roles and Accountabilities

Directors will:

- actively seek to understand the role and functions of the organization and the context within which it operates;
- provide experience and expertise to the organization by participating fully in Board discussions and decision-making;
- consistently attend Board meetings;
- prepare for meetings by reading and reflecting on pre-meeting material for Board discussion and decision-making;
- participate in the work of Board committees as assigned by the Board;
- support Board decisions outside of Board meetings with the constituencies they represent;
- protect the confidentiality of Board matters and privileged information as the bona fide intellectual property of the organization;
- function within Board approved policy;
- maintain effective interpersonal relationships with other Board members;
- provide encouragement and guidance to the Executive Director in his/her work as required;
- communicate directly with owners of the organization and represent all owners in decision making;
- inform the Board of any personal interest in an affair or decision of the organization in a timely manner;
- function in an ethical manner and to ensure compliance with legal responsibilities and due diligence;
- ensure compliance with and execution of the specific duties of the Board; and
- establish individual roles for Board members based on expertise and experience.

Meetings

While other Board meetings will be called according to the needs of the organization, the following Board meetings are mandatory for Directors:

- Annual Meeting (summer): Expanded membership meeting, performance reporting, elections
- Governance Training & Orientation: Orientation training for new Directors, Governance Training for all Directors to revisit roles, responsibilities and Governance revisions
- Business Planning (winter): Expectations and planning for the next fiscal year, typically in-person
- Quarterly Meetings: To review progress against the Business Plan
- Performance Review Meeting (spring): To identify areas for improvement for the Board and Executive Director

Directors serving on the Audit Committee will be required to meet prior to each quarterly progress review meeting.

Once every three years, the Board undertakes a Strategic Planning exercise that requires additional meetings of the Board.

Director Eligibility and Election

In general, potential Directors will:

- be a member of Farm Management Canada in good standing;
- have experience or knowledge of agricultural business management and/or the organization itself;
- be able to speak on behalf of the industry they represent as well as having an interest in the advancement of agriculture as a whole; and
- be considered by their peers and colleagues as a credible representative.

Remuneration

Nominees to the Board will pay their own expenses. Should a nominee be elected to the Board, Farm Management Canada will cover all expenses for which a regular Board member qualifies, incurred after they were elected.

Time Commitment

In order to satisfy Board roles and responsibilities, Directors will be expected to commit approximately fourteen (14) full days per year to Board activities. Directors will be expected to attend all Board meetings. These meetings are typically two hours in length and held online between 11am and 5pm Eastern Time. Digital polling is used to schedule meetings at times convenient for Directors. One in-person meeting is held each year in late November in conjunction with the annual Conference.

Liability

Directors have a fiduciary duty to act honestly and in good faith, in the best interest of the organization, its members, and employees. Directors who breach their fiduciary duty to the organization may face personal liability for any loss that the organization suffers as a result of the breach including actions or decisions that lead to organizational insolvency, unpaid debts, or legal claims against the organization.

Directors are protected through Farm Management Canada's Director and Officer liability insurance as long as:

- their actions are not fraudulent or illegal
- they are acting in the best interests of the organization, exercising reasonable care, diligence and skill, and
- they are acting in accordance with the applicable statutes, regulations, and articles of the organization as outlined in the By-Laws and Governance Policy.

In Summary

The position of Director with Farm Management Canada carries with it important duties and accountabilities that point to the need to:

- Act in the best interests of the organization, not a particular region, or sector;
- Show national vision and leadership;
- Act fairly toward those affected by what the organization does;

- Proceed with an open mind and be prepared to listen;
- Proactively manage the organization's affairs, intervening when necessary and ensuring that delegated tasks are properly carried out;
- Prepare well for meetings and ensure that decisions are reasonable and well informed;
- Work to build trust and co-operation among Directors and between the organization and its stakeholders;
- Avoid conflict of interest situations that could jeopardize the integrity of the organization.