

Silver Fern Farms Governance Capability Model

This model has been developed specifically for Silver Fern Farms Co-operative, with a full refresh in 2020 and has been approved by the Silver Fern Farms Co-operative Board of Directors. The model establishes important areas of capability that should be represented across the elected and independent directors to ensure a strong foundation for highly effective governance. These areas are:

Aspirations include:

Alignment to the co-operative ethos – personal orientation to do the best by the co-operative for the long-term

Governance Orientation – desire to advance and develop in governance, and evidence of self-development

Engagement and influence with stakeholders including:

Agricultural Sector knowledge – to have credibility with members and contribute to shaping a profitable and sustainable co-operative organisation

Stakeholder and Customer insight – to protect and enhance the organisation's reputation and interests with staff, customers, suppliers, iwi, partners, regulators, and banks.

Advocacy and effort – proud to be associated with Silver Fern Farms, an external advocate and demonstrates discretionary effort to go above and beyond to make a difference to the co-operative

Governance capability is a foundation of leadership, functional and technical capability for a directorship role at this level to enable contribution across a broad range of topics and decisions.

This includes:

- **Judgement and strategic reasoning** – excellent reasoning and learning agility – scans geopolitical environment, analytical rigour, open-minded. Ideally had previous roles within commercial organisations
- **Communication and governance style** – frank and concise communication, listens and evaluates before responding, constructively challenges the status quo, and cuts through complexity to reach a clear standpoint.
- **Governance experience** – has directorship experience (ideally with a medium-large size commercial organisation or equivalent board) and/or has held a Chief Executive position, or a position reporting directly to a Chief Executive in a corporate environment, and/or has completed substantial governance training alongside small-medium sized governance roles. Demonstrated knowledge of directors roles and responsibilities
- **Financial Aptitude** – foundational financial acumen and ideally an appreciation of financial management in a medium-large sized commercial organisation alongside risk and sustainable reporting

- **Environmental sustainability** – understanding of agribusiness sustainability practices and environmental regulations. Understands the link between consumer demand and on farm practices
- **Related strategic skills** – international market development, sales and marketing, technology, production, and supply chain (although it is noted these skills are not as common in the farmer candidate pool)

Rating Guide

Silver Fern Farms Limited Board potential

This candidate is seen as having the potential to perform well in this area at the Silver Fern Farms Co-op Board level, and in the near-immediate term on the Silver Fern Farms Limited Board

Silver Fern Farms Co-op Board potential

This candidate is seen as having the potential to perform well in this area at the Silver Fern Farms Co-op Board level, and in the mid-long term on the Silver Fern Farms Limited Board

Moderate

This candidate has a satisfactory understanding of this area, and with some further development is seen as having potential to perform well at the Silver Fern Farms Coop Board level in the short-medium term.

Developing

This candidate is currently developing in this area but may be suitable for the Silver Fern Farms Co-op Board in the longer term

Less suitable

This candidate is not considered suitable against this aspect of the potential model

2023 approach

Capability

Agricultural sector knowledge

To have credibility with members and contribute to shaping a profitable and sustainable co-operative organisation. Demonstration of commercial networks in agribusiness, and an understanding of the risks and opportunities facing the sector.

4

4

5

Alignment to the co-operative ethos

Personal orientation to do the best by the co-operative for the long-term. Can articulate the benefits of the co-operative model, and demonstrates support for its business activities.

3

4

3

Judgement and strategic reasoning

Ability to articulate complex ideas and consider various perspectives, potentially at difference with one's own. Is open minded and curious, displaying judgement and critical business reasoning in commercial environments.

4

5

4

Governance orientation

Desire to advance and develop in governance, and evidence of self-development through courses, seminars and membership groups.

5

3

1

Governance experience

Governance and / or CEO experience in scale commercial or co-operative business.

3

2

3

Advocacy and effort with shareholders

Proud to be associated with SFF. An external advocate, attends roadshows and events, and demonstrates discretionary effort to go above and beyond to make a difference to the co-operative.

4

1

2

Communication and governance style

Frank and concise communication, listens and evaluates before responding, constructively challenges the status quo, solutions focused, and cuts through complexity to reach a clear standpoint.

2

3

2

Financial aptitude

Foundational financial acumen and ideally an appreciation of financial management in a medium-large size commercial organisation alongside risk and sustainable reporting.

3

4

3

Environmental sustainability

Understanding of agribusiness sustainability practices and environment regulations. Understands the link between consumer demand and on farm practices. Has developed environmental/sustainability initiatives in their own business and on farm practices.

5

2

2

Stakeholder and customer insight

Demonstrated understanding of the co-operative's stakeholders (staff, customers, suppliers, iwi, partners, regulators, and banks) including an understanding of urban New Zealanders perceptions of pastoral farming and how to address concerns and develop opportunities.

3

4

2

Related strategic skills

International market development, sales and marketing, technology, production and supply chain (although it is noted these skills are not as common in the farmer candidate pool).

4

2

3

TOTAL (/55)

40

34

30

Qualitative explanation

Limited

Developing

Moderate

Strength

Expertise

IN FOCUS

FOUNDATIONAL