

# CORPORATE GOVERNANCE MANUAL



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## 1. Governance Statement

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The Australian Stock Exchange Corporate Governance Council (ASXCGC) released a document on 31<sup>st</sup> March 2003 entitled *Principles of good corporate governance and best practice recommendations*. The 10 core principles are recommendations and applies to listed companies. Although Future Farmers Network (FFN) is not a listed company and does not have any obligation to report on these principles, FFN is committed to good corporate governance, and is therefore committed to these principles.

### Principle 1: Lay solid foundations for management and oversight

The FFN Board is required to report to its members. The Board's responsibility includes:

- Determining and reviewing the company's strategic direction and operational policies, Establishing goals for the management committee and monitoring the achievement of these goals,
- Recommending the appointment of the auditor to members,
- Ensuring the composition and Board structure is effective,
- Approving the appointment of the Network Coordinator and remuneration of staff / contractors,
- Ensuring adequate financial resources,
- Monitoring business risk exposures and risk management procedures,
- Approving and monitoring financial and other reporting to members in the form required by the Corporations Act (2001).

FFN has recognised and published the respective roles and responsibilities of the Board and management in this Manual.

### Principle 2: Structure the Board to add value

The Board comprises no less than 3 and no more than 11 directors. The Board is balanced in its composition with each state being fairly represented on the Board. The Board encourages a balanced skill composition with each current director bringing a range of complimentary skills and experience.

The board has adopted a number of measures to ensure that independent judgement is achieved and maintained. An independent Selection Committee has been established to review and appoint directors. Its roles and responsibilities are included in this manual.

### Principle 3: Promote ethical and responsible decision-making

FFN Business Code of Conduct for Board and management and employees are included in this Manual.

The Board will endeavour to seek consensus in its decision-making.

The company complies with all federal, state and local government laws and regulations, as well as common-law obligations and again requires all employees / contractors / members to do the same.

### Principle 4: Safeguard integrity in financial reporting

Accounts are reported in accordance with AAS (Australian Accounting Standards) and in addition

- The members approve the appointment of independent auditors
- The Board has established a Budget & Finance Committee
- Signoff of all accounts by the FFN Chair

that the financial statement of FFN for the full financial year presents a true and fair view of the company's financial condition.

The composition, roles and responsibilities of the F&A committee are outlined in this Manual.

### **Principle 5: Make timely and balanced disclosure.**

FFN is not a publicly listed company and is not subject to ASX Listing Rule disclosure requirements. The company does however, report to its members in the form required by the Act and discloses significant information on a continuous basis as detailed in Principle 6.

### **Principle 6: Respect the rights of shareholders**

FFN does not have shareholders; it has members. The company's member communication policy advocates communication with members and other stakeholders in an open, regular and timely manner so members have sufficient information to make informed decisions on the operations of the company. Mechanisms employed are:

- Monthly and quarterly publications, iterant news and event updates relevant to career development in agriculture, circulars and press releases
- Annual and Statutory Financial report circulated prior to the Annual General Meeting (AGM)
- Access to Board members via email
- Annual online planning meeting with Member access to communications and tools via the website [www.futurefarmers.com.au](http://www.futurefarmers.com.au)

The board encourages full participation of members at the company AGM to ensure a high level of accountability and understanding of the company's strategy and goals. Members are encouraged to appoint proxies to express their views at the AGM by forwarding the Proxy Form.

### **Principle 7: Recognise and manage risk**

The board is responsible for the oversight of the company's risk management and control framework.

The Finance and Audit committee's role and responsibilities with respect to risk are outlined in this Manual.

The control and management of risk is the responsibility of all directors in every activity they conduct on behalf of the FFN.

### **Principle 8: Encourage enhanced performance**

The board adopts a self-evaluation process to measure its own performance and the performance of its committees during each financial year. An annual review is presented to the members at the AGM. As part of the re-election of Directors the Selection Committee reviews the composition and skill mix of the directors.

In addition to internal assessments of performance the Board undertakes an independent external performance review every three years.

In order to obtain corporate governance best practice, the board keeps all areas of FFN governance under review. It particularly monitors areas of business risk and ensures appropriate control strategies are in place and properly managed.

Providing leadership to the Network Coordinator and office bearers is a priority of the board and is a key strategy within FFN's governance.

Arrangements and policies for management review are outlined in this Manual.

#### **Principle 9: Remunerate fairly and responsibly**

A program of regular performance appraisals and goal setting for Directors, the Network Coordinator and other staff / contractors is in place.

Directors receive no remuneration for services in their capacity as a Director, as stipulated in the Constitution of the company.

FFN, being limited by guarantee, none of the directors holds an interest, but they must be members in order to be a Director. Each director, as a member of FFN, is liable to the extent outlined in the constitution upon winding up.

#### **Principle 10: Recognise the legitimate interest of stakeholders**

The mission of FFN is to prepare young people in rural industry for the challenges they face. The values upheld in delivering this mission are:

- Commitment to our members success
- Aim for the best we can do in all our activities
- Always striving for a better way
- Always act with professionalism, honesty and respect
- Commitment to the wellbeing of young people in rural Australia

FFN responsibilities are outlined in the Code of Business Conduct.

## 2. Business Code of Conduct

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This is the Code of Conduct for the Board and employees. The Board recognises the need to observe high standards of corporate practice and business conduct. To this end, the Company has established a formal Code of Business Conduct, which requires directors/members / contractors to adopt high ethical standards in all of the Company's activities.

The Code is divided into three sections:

- **the values**, which underpin the way FFN operates;
- **the standards**, which guide the way the directors / network coordinator / members / contractors act;
- **the responsibilities**, which explain what is expected of FFN

The Code contains procedures for identifying and reporting departures from the required standards.

The Company has established a system for distribution of the Code at appropriate intervals to Directors and employees / contractors and for them to acknowledge its receipt (see Acknowledgement Form in Directors Handbook). The Code sets standards of behaviour expected from everyone who performs work for FFN – Directors, employees and individual contractors. It is also expected that FFN's key service providers will adopt a similar set of standards when conducting business with us.

### 2.1 FFN Vision

*"A rural sector that has a reputation for providing exciting and rewarding career paths for young people who are both highly skilled and motivated"*

### 2.2 FFN Mission

*"To prepare young people in rural industry for the challenges they face as they pursue a career in the rural sector. To do this we will work with others to encourage and provide opportunities for young people to participate in personal and professional skills development"*

### 2.3 FFN Values

<b>Success:</b>	commitment to our members success
<b>Excellence:</b>	aim for the best we can do in all our activities
<b>Innovation:</b>	always striving for a better way
<b>Integrity:</b>	always act with professionalism, honesty and respect
<b>Wellbeing:</b>	commitment to the wellbeing of young people in rural industry in Australia

The Code is intended to provide guidance as to the way we behave when engaged in activities relating to FFN.

## 2.4 FFN Standards

### (a) Performing your duties and responsibilities

- (i) You must act with integrity, honesty and in good faith and in the best interests of the company as a whole.
- (ii) You have a duty to use care and diligence in fulfilling your functions/duties.
- (iii) You must treat all fellow directors, customers and contractors with courtesy and respect.
- (iv) Do not discriminate on the basis of irrelevant characteristics such as sex, race, disability, pregnancy, age, marital status and sexual preference.
- (v) Take appropriate care for health and safety of other persons and yourself when fulfilling your functions and duties.
- (vi) Follow lawful and reasonable instructions and comply with relevant statutory requirements and industry guidelines.

### (b) Conflicts of Interest or Duties

- (i) You must properly manage any conflict with the interest of the company. A conflict arises when your personal or professional interests conflict directly or indirectly with FFN's.
- (ii) You are required to:
  - (A) Avoid personal transactions, situations or involvements in which your personal interests are in conflict with those of FFN
  - (B) Act in accordance with applicable laws and FFN standards and policies
  - (C) Protect your reputation and the property, interests, responsibilities, confidential information and reputation of FFN
- (iii) If you have a conflict you must immediately report it to the Board.
- (iv) You must never accept a gift if such acceptance has any possibility of compromising FFN. You must never personally offer, give or receive any lavish gifts from any government official or employee.

### (c) Using information

You must follow FFN's policies and procedures in relation to confidential information and privacy. You must not deliberately give false information to FFN or its key stakeholders.

Confidential information received in the course of the exercise of duties remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is provided, or is required by law.

**(d) Making public comment**

You should not make any public comment unless you have been given official authority to do so. Public comment includes speaking at external seminars and conferences and making comment to the press and/or other media.

- Any public comment regarding a FFN project is to be approved by the Communications Committee.
- Any public comment regarding FFN policy (such as a position on an issue) is to be approved by the board on a majority basis, as outlined in the Constitution, prior to announcement.

If employees or Directors are presenting at external seminar/conferences not as a representative of the Company they will:

- Not divulge confidential company information
- Seek permission to use company name and logos, if applicable
- Indicate they are not representing FFN, where necessary

**(e) Reporting Fraud, Corrupt Conduct or Inappropriate behaviour**

You should not engage in conduct likely to bring discredit upon the company. If you have evidence or have good reason to suspect fraud, corrupt, criminal, unethical conduct, harassment or discrimination you are obliged to report this.

You may directly report to a Director or the Chair of the Board or the Company's solicitor. Contact details are at the end of the Code of Conduct.

**(f) Using FFN resources**

You must follow FFN's policies and procedures when using and looking after FFN's resources. These resources include equipment, money, information, materials and facilities.

**(g) Accounting records and reports**

Accounting records and reports must be kept in accordance with the law. You must ensure that all transactions are supported by appropriate documentation.

**(h) Leaving the company**

Upon termination you shall abide by the confidentiality policies and procedures of the Company that every employee and Director is required to sign upon appointment. Your obligations with regard to the Confidential Information will continue for so long as FFN maintains such information on a confidential basis.

A Deed of Access agreement is entered into with each Director at the commencement of their term. Directors are entitled to access Board papers or records of the company for the period of their tenure up to 7 years after the end of their term as Director.

**(i) Breaching the Code**

You have an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code. Where these standards are not met, then appropriate disciplinary action will be taken. Where serious breach has occurred this may result in termination of appointment or contract.

## 2.5 FFN Primary Responsibilities

You must recognise that the primary responsibility is to the company members as a whole, but should where appropriate, have regard for the interest of all stakeholders of the company. Our key stakeholders include:

### (a) Members

We have a commitment to supporting our member's success. FFN will keep members informed of all relevant issues in a timely manner.

We expect the member's full support in the better management of this organisation.

### (b) Sponsors

We honour our agreements with the Government and Sponsors and continue to build confidence in the company's ability to meet our obligations in a socially responsible manner.

We expect the Government to support the better management of the organisation and promote an environment, which enable us to conduct business in an efficient and effective manner.

### (c) Employees/Contractors

We have a commitment to harnessing the talent and promoting continual improvement in our employees. FFN seek to provide an environment that is safe from harm or prejudice.

We expect the employees' full support in the better management of this organisation and promote an environment, which enable us to conduct business in an efficient and effective manner.

### (d) Community

The community expects us to comply with the spirit and intention of the law and we are socially responsible in the conduct of our projects.

We expect the community to be aware of our various obligations and assist in creating an environment, which enables us to conduct our business in an efficient and effective manner.

## 2.6 FFN Secondary Responsibilities

You must also recognise the Company's secondary responsibilities lie with its;

- Service providers
- Suppliers

but should where appropriate, have regard for the interest of all stakeholders of the company.

**2.7 Contact Details for reporting breach of duties**

All communications are treated in the strictest confidence.

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### 3. Board Structure

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The Board has the ultimate responsibility for managing Future Farmers Network (FFN) business and affairs to the highest standards of corporate governance and business conduct. The Board's responsibilities are established to:

- Shape the mission and strategic direction of the Company
- Ensure leadership and resources for the Company
- Monitor and improve performance of the Company

#### 3.1 Board Responsibilities

The Board is responsible for:

- (i) Providing strategic direction of the Company,
- (ii) Engaging actively in the strategic decision making and policy decisions of the company
- (iii) Ensuring adequate financial resources
- (iv) Safeguard the assets of the company to ensure continuity of business activities
- (v) Approving budgets and other performance indicators, reviewing performance against them and initiating corrective action when required,
- (vi) Ensuring compliance with applicable laws,
- (vii) Ensuring that there are adequate systems and procedures to identify, assess and manage risks,
- (viii) Ensuring that there are appropriate policies in place and systems to ensure compliance,
- (ix) Ensuring that the Board structure and composition is effective,
- (x) Fostering an appropriate corporate culture,
- (xi) Selecting, evaluating and supporting the Network Coordinator and
- (xii) Ensuring that there is an appropriate focus on the interests of all stakeholders.

#### 3.2 Board Composition

The composition of the Board is based on the following factors:

- The Chair is elected by the Board
- The Chair has the casting voting in the event of a vote by the Board is tied
- Each Director must retire at the end of every two years at the Annual General Meeting and may stand for re-election.
- A Director who has been appointed by the Board to fill a casual vacancy may be considered for re-election and ratified by members at the next Annual General Meeting

A majority of Directors must be Australian citizens.

The composition of the Board is considered regularly by the Selection Committee and presented to the full Board. The review ensures that the Board has available an appropriate mix of abilities and experience to serve the interests of the company.

The process of appointing a skill's based Director is that, when a vacancy exists, the Selection Committee identifies candidates with the appropriate expertise and experience in line with the selection criteria. The members then ratify the nominations to the Board at the Annual General Meeting.

The qualifications and experience of the Directors is made available on the FFN website.

### **3.3 Decision Making**

The Board will use best endeavours to seek consensus in its decision-making. Should a consensus not be reached a majority vote will be taken by a show of hands. In the event of a draw, the Chair will have the deciding vote.

### **3.4 Board Delegation of responsibilities**

The Board operates on the principle that all significant matters are dealt with by the full Board. To assist in its deliberations, the Board has established a number of committees, which apart from routine matters, act primarily in a review or advisory capacity. The delegate of such responsibilities to those committees will only occur provided that sufficient systems are in place to ensure that the Board is meeting its responsibilities.

In addition to the internal review and advisory committees, the Board has formed Project Committees responsible for implementation and reporting of projects or events.

### **3.5 Director Protection**

Generally a Director has two areas of protection:

- a. Right to Information
- b. Ability to insure against specific risks of being a Director

As a matter of policy the following measures of Board member protection will apply.

#### **(a) Right to information policy**

When a Director is seeking information in his capacity as a Director of this Company they shall:

- (i) Firstly approach the Network Coordinator requesting data
- (ii) If unsuccessful, approach the Chair
- (iii) If a resolution is still not forthcoming, put in writing to all Board members detailing information required, the purpose for obtaining the information and who the Director intends to obtain the information from
- (iv) As a last resort, employ the provisions of the Corporations Law

A complete set of Board papers is held by the Secretary should any Director request the papers. They are retained for a period of seven years. Under each Directors Deed of Access, the directors are entitled to access the Board papers and records for the period when they were a Director, up to seven years after they have ceased being a Director.

**(b) Insurance policy**

The Company will provide each Director with a copy of the PI (Professional Indemnity) policy summary and any changes to that policy on request. The company does not currently have D&O (Director's and Officer's) insurance. The policy is incorporated into the Director's Handbook.

**4. Director Code of Conduct**

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These are additional responsibilities of the directors in fulfilling their duties

- (i) A Director must act with integrity, honesty and in good faith and in the best interests of the company as a whole.
- (ii) A Director has a duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to the office.
- (iii) A Director must use powers of the office for a proper purpose, in the best interest of the company as a whole.
- (iv) A Director must recognise that the primary responsibility is to the company members as a whole, but should where appropriate, have regard for the interest of all stakeholders of the company.
- (v) A Director must not make improper use of information acquired as a director.
- (vi) A Director must not take improper advantage of the position of director.
- (vii) A Director must properly manage any conflict with the interest of the company.
- (viii) A Director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all directions taken by the board of directors.
- (ix) Confidential information received by a Director in the course of the exercise of duties remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is provided, or is required by law.
- (x) A Director should not engage in conduct likely to bring discredit upon the company
- (xi) A Director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.
- (xii) A Director should not make any public comment unless you have been given official authority to do so. (*see: Item 4 Code of Business Conduct*)

## 4.2 Board Meetings

### (a) Frequency and Location

The Board currently meets five times a year. The approximate dates and mode are determined by Agreement up to a year in advance.

### (b) Agenda

The Agenda for the Board is prepared by the Network Coordinator in conjunction with the Chair, and sent out at least 10 days prior to the Board meeting in a manner mutually agreed between the company and the directors.

### (c) Minutes

The Secretary records the Minutes within 10 days of the Board meeting. The Minutes and Action Sheet are sent electronically to the board for approval within 5 days of sending. The Network Coordinator prepares the "Report for the Members" which is a summary of discussion and decisions and are made available on the members only section of the website.

## 5. Role of the Chair

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The Chair is primarily responsible for the Board's operation as a team. They provide leadership and ensure each Director provides an effective input to the performance of the Board's responsibilities.

The Chair also has the responsibility to develop and maintain effective links with the Network Coordinator and FFN members.

### 5.1 Responsibilities

1. Chair the Board and General meetings in line with the Constitution
2. Establish the agenda for board meetings in consultation with the Network Coordinator
3. Be spokesperson for the FFN at general meetings and in reporting on the performance of the organisation. The Network Coordinator or Network Coordinator nominee shall undertake all other public relations activities unless otherwise agreed by the board
4. Be the major point of contact between the board and the Network Coordinator
5. Be kept fully informed of current events by the Network Coordinator on all matters, which may be of interest to Directors
6. Regularly review, with the Network Coordinator, on important initiatives and significant issues
7. Provide mentoring for the Network Coordinator
8. Commence the annual process of board Performance Review
9. In accordance with Constitution the Chairperson has the casting vote

10. Effective leadership and management of the Company's operations in line with strategic objectives and Board policy decisions
11. Develop, implement and review the strategic imperatives of the company, bringing employees and Directors together as a team

## **6. Role of Secretary**

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The Secretary is the Company's Public Officer. The Secretary, although traditionally a non-board member, is a member of the FFN board.

### **6.1 Responsibilities**

1. To oversee the Company's Compliance program, to ensure that all legislative obligations are met, and to ensure that all the necessary returns are lodged with ASIC within time constraints set by the Corporations Law
2. To ensure the Company's accounting records are kept in accordance with the Corporations Law and ensure financial accounts are prepared within time constraints set by the Corporations Law
3. To ensure all requirements of the Australian Taxation Office are met
4. To ensure all requirements under the Statutory Funding Agreement are met
5. Organise Member's meetings as required under the Corporations Law, be aware of the procedures for the appointment of proxies and ensure that a quorum is present at these meetings
6. To work closely with FFN's solicitors and with external regulatory bodies on legal and corporate matters
7. To maintain the Corporate Calendar as required
8. To maintain and update the Directors Handbook and Governance Manual as required
9. Liaise closely with the Network Coordinator in respect to the timely preparation of Board Agendas and Board Papers (e.g. Minutes) and be responsible for the distribution and custody of such Agendas and Papers
10. To maintain a register of Board Minutes
11. Responsible to the board by whom she/he is appointed
12. Works closely with the Network Coordinator on board and Corporate Governance issues

## 7. Role of Network Coordinator

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The Network Coordinator reports to the board and is primarily required to provide leadership of FFN on a day-to-day basis ensuring strategic directions are implemented.

### 7.1 Responsibilities

1. Achievement of the Company's objectives
2. Assist the Chair and the Directors maintain appropriate levels of Corporate Governance
3. Ensure the Company's strategic mission is widely known and understood by employees and members
4. Effective leveraging of FFN's activities by developing tangible strategic alliances with members and other stakeholders
5. Develop innovative solutions to enhance the Company's operational and strategic effectiveness
6. Efficient and effective financial management of the Company
7. Safeguard the company assets to ensure continuity of business activities
8. Appointment, management, development and leadership of the support staff
9. Establish and maintain appropriate information management information systems, internal controls and reporting policies and procedures
10. Regular communication with the Board ensuring they are current on all matters of operational and strategic importance including any major contractual arrangements
11. Effectively manage the Company's relationships with external stakeholders

## 8. Out of Session Items

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Out of Session Items arise when the Board is unable to meet telephonically or physically and an issue requires a Resolution of the Board as an outcome. Such Resolutions may also arise where the Board is in session and requests follow-up action by way of an Out of Session Resolution from the Network Coordinator.

Out of Session Resolutions will be sent to Directors via email unless expressly requested otherwise.

Should a Director be absent from Australia or not able to be easily contacted, the Chair should be advised of the fact and be informed of either an email or facsimile number where contact can be effective.

Any Out of Session Resolution is passed when all the Directors that can respond, have responded and the Chair has sighted responses and indicated the motion has been passed. This resolution will be circulated electronically to all Directors. Should unanimous agreement

not be received, the Chair will at his/her discretion initiate a telephonic meeting to resolve the differences or defer consideration of the matter until the next full Board meeting

Resolutions will be incorporated into the Resolution Register once passed. They will also be included with the Minutes at the next full Board Meeting following closure. Details of discussion and closure will not be included unless requested.

## **9. Director Selection, Appointment and Training**

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### **9.1 Selection**

The Selection Committee considers the composition of the Board. The review ensures that the Board has available an appropriate mix of abilities and experience to serve the interests of the company.

The process of appointing Directors is, when a vacancy exists, the Selection Committee identifies candidates with the appropriate expertise and experience. The Board reviews the candidates and the most suitable person/s is put to the members for ratification at the general meeting.

Future Farmers Network supports its members in nominating a person for a Board position. The Selection Committee will consider all nominations sent in good faith.

### **9.2 Appointment**

On appointment, each Director is required to acknowledge the terms of appointment as set out in their letter of appointment. The appointment letter covers, inter alia, such matters as the term of appointment, duties, remuneration and expenses, rights of access to information, other directorships and termination.

### **9.3 Orientation**

On appointment, each Director is provided with access to the Company's Board policies and company programs and briefed on the appropriate content by the Company Secretary.

### **9.4 Training/Development**

All Directors are encouraged to participate in training programs, covering such topics, inter alia, as the Board's role, Board composition and conduct, risks and responsibilities of company directors, to ensure that they are fully informed on current governance issues. In addition they are briefed on the Company's program objectives and progress at the time of appointment.

All Directors are encouraged to complete formal corporate governance training or undertake the Australian Institute of Company Director's course or equivalent.

## **10. Director Remuneration**

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No director may receive any remuneration for services in the capacity as a director as per the Constitution.

## 11. Board Performance Review

The Board shall determine when and how it takes an internal or external review. The Board assesses its performance outcomes in 10 key areas and rank their importance in light of the organisations current priorities. The Board Self Assessment Questionnaire in the Appendix is distributed to the Board each September assists in addressing each of these questions.

### 11.1 Shape mission and strategic direction

1. Shape and clarify the strategic direction of the Company (mission & vision),
2. Engage actively in the strategic decision making and policy decisions of the company
3. Ensure that there is an appropriate focus on the interests of all stakeholders.

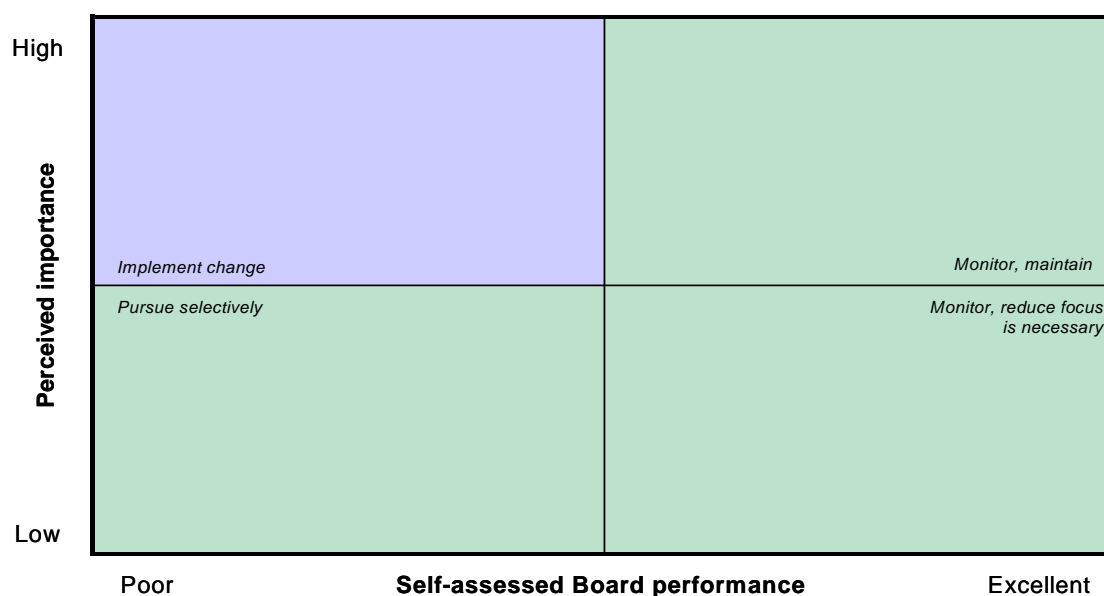
### 11.2 Ensure leadership and resources

4. Select, evaluate and support the Network Coordinator
5. Ensure adequate financial resources
6. Ensure that the Board structure and composition is effective (lend expertise and provide access to people for the organisations needs)
7. Foster an appropriate corporate culture

### 11.3 Monitor and improve performance

8. Oversee financial management
9. Monitor performance and ensure accountability
  - a. Approve budgets and other performance indicators, reviewing performance against them and initiating corrective action when required
  - b. Ensure that there are adequate systems and procedures to identify, assess and manage projects
  - c. Ensure that there are appropriate policies in place and systems to ensure compliance with applicable laws,
10. Improve Board performance

These 10 key areas are plotted on the graph below



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## 12. Organisational Performance Review

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A fundamental function of the Board is to monitor the performance of the Company. It is charged with monitoring Project key performance indicators (KPIs) on an annual basis.

The Network Coordinator and Chairs of Committees report to the Board on the progress of all the key projects and activities conducted by the Company. The process is designed to allow the Board to measure the effectiveness of activity and expenditure. A tangible link exists between the Project KPI's and the Strategic objectives.

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## 13. Strategic Review

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While the Board retains the responsibility for overall strategic direction of the company, the 3 Year Strategic Plan undergoes an annual review by the Board. Conducted in December each year the business environment facing FFN is reviewed. If appropriate the 3 Year Strategic Plan is amended and this sets the broad parameters for drafting the Annual Action Plan. The development of the Plan is progressed over the period from January to May incorporating the co-operative involvement of Members and the Board.

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## 14. Committees

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The Board operates on the principle that all significant matters are dealt with by the full Board. To assist in its deliberations, the Board has established a number of committees, which, apart from routine matters, act primarily in a review or advisory capacity. The delegation of such responsibilities to those committees will only occur provided that sufficient systems are in place to ensure that the Board is meeting its responsibilities.

Committees are generally established when issues become too difficult or too numerous to be handled by the entire board. They can either be ad-hoc, temporary committees established for specific short-term projects or activities or more permanent standing committees for on-going major work. Standing committees may meet only twice a year while ad hoc committees are likely to meet more regularly depending on timelines for project delivery.

### 14.1 Selection & Succession Committee

#### (a) Purpose

- A Committee reviews the composition of the Board to ensure it comprises Directors with the right mix of skills and experience to enable it to fulfil its responsibilities to stakeholders.
- They identify and recommend suitable candidates for the Directorships to ensure continuity.
- They review the Executive succession planning.

**(b) Responsibility****Balanced Board composition**

The Selection Committee will ensure the Directors will collectively have an appropriate balance of skills and experience in the following areas:

- Project management;
- Fundraising;
- Communications and public relations;
- Business and financial management;
- Recruitment or Human Resources; and
- The Board includes at least one Director who can demonstrate from his or her experience that he or she is highly skilled in corporate governance.

**Nominations**

The Selection Committee shall draft Expressions of Interest and seek nominations as and when the Board recommends no less than 28 days prior to the AGM. The Committee shall coordinate the application process and generate a short list for interview. The Secretary shall notify members of the nominations and their proposers and place a list in a conspicuous place in the Office and on the website.

They shall invite participants on the independent Interview Panel and coordinate interviews with candidates, if required. The interviews are conducted in a means as determined by the Board. An independent interview panel of 3 people conduct interviews and makes a recommendation for appointment to the Board.

The Board considers the recommendation and seeks ratification of appointments by members at the AGM. If the nominations are not ratified then the Selection Committee has to begin the selection process again.

**(c) Composition of Committee**

- The Selection Committee will comprise of at least 2 Directors.
- The Board nominates the Chair of the Committee by consensus. The Chair is responsible for coordination of selection.
- The Committee appoints their Secretary. The Secretary of the Committee is responsible for committee minutes (if applicable), committee agendas (if applicable) and preparing reports to the Board.
- Any conflicts of interest or third party relationships must be declared.

**(d) Qualifications**

All members have sufficient business expertise to act effectively as members of the committee, as determined by the Board.

**(e) Members**

The members of the Selection Committee as at November 2006 are:

- Committee Chair:
- Committee Secretary:

- Committee Other:

An independent consultant may be appointed to assist with the advertising and selection of candidates.

## 14.2 Communications Committee

### (a) Purpose

This committee works to promote the organisation and its activities to stakeholders.

- To co-ordinate all communications activities for the Future Farmers Network.
- Develop the FFN Communications Plan in line with strategic objectives and available resources that:
  - Identifies potential new markets for the organisation's services or products
  - Promotes the organisation's services to the community
  - Builds a good relationship with the media, sponsors and members
- To generate brand consistency across all activities of the company
- To ensure the proprietary database, website and other IP is being maintained and used to maximum effect

### (b) Composition

- The Communications Committee will comprise of at least 2 Directors.
- The Board nominates the Chair of the Committee by consensus. The Chair is responsible for coordination of communications activities.
- The Committee appoints their Secretary. The Secretary of the Committee is responsible for committee minutes (if applicable), committee agendas (if applicable) and preparing reports to the Board.

### (c) Qualifications

All members have sufficient business and financial expertise to act effectively as members of the committee, as determined by the Board.

### (d) Members

The current members of the Communications Committee are:

- Committee Chair:
- Committee Secretary:
- Committee Other:

### (e) Meetings

The Committee will meet at least twice a year and on such other occasions as deemed necessary by the Committee Chair.

A quorum for meetings will be 2 members. The Committee Chair will report the findings and recommendations of the Committee to the Board at its next meeting. The minutes (if applicable) of all Committee meetings will be circulated to the Board.

**(f) Authority**

With respect to the communication of FFN policy on issues in the public arena the recommendations will be referred to the whole Board before any public comment.

With respect to Project Communication, the communication content is referred to the Project Committee.

With respect to the Committee's communication policy and procedures, recommendations will be referred to the Board.

### 14.3 Budget & Finance Committee

**(a) Purpose**

**Budgets** – oversees the preparation and review of the budget and keeps track of all financial transactions for accountability purposes.

- Establishing appropriate processes for budget preparations eg to involve all relevant staff and ensure consistency between the budget and the organisation's plans
- Identifying and advising staff on financial priorities for the organisation
- Recommending financial guidelines and processes to the board
- Reporting any financial irregularities or concerns to the board,
- Working with staff to design financial reports that are accurate and timely
- Identifying any opportunities for income generation eg major grants, product sales, property and equipment rentals and investments (where appropriate)
- Where there is committee expertise, advising on appropriate information and financial management software or other systems

**Audit** – reviews the auditors' performance, audit policies, procedures and reports, as a direct link between the Board and the auditors.

The Committee reviews the performance and independence of the external auditor annually, and can recommend to the Board any changes to the appointment it deems appropriate. The external auditor may attend shareholder meetings and may be available to answer questions from members about the conduct of the audit and the preparation and content of the audit report and the Company's accounts. Members at the AGM ratify the reappointment of the auditor.

**Financial Statements** - reviews the Company's financial statements, the effectiveness and compliance with accounting policies and standards and adequacy of disclosures.

**Risk Management** – reviews policies and reports on all major categories of risk including, but not limited to, overall business risk in the Company's operations, financial, procurement, insurance, taxation, litigation and natural disaster as well as other matters deemed appropriate.

The Board retains responsibility for approving the strategic direction of the Company. The Board monitors this responsibility through the receipt of risk assessment reports and where applicable management presentations from the Budget & Finance Committee.

The Committee also reviews and, where appropriate, makes recommendations to the Board in respect of policies relating to the above matters. This includes ensuring that the Company has systems that identify, assess, monitor and manage risk.

The internal and external audit functions also reviews the company's risk assessment and management. The internal and external audit functions are separate and independent of each other.

**Compliance** – ensures an effective compliance program covering, but not limited to, the Company's statutory obligations (including occupational health and safety laws and trade practices laws) and formal written policies (including code of business conduct).

**(b) Composition**

- The B&F Committee will comprise of at least 2 Directors.
- The Board nominates the Chair of the Committee by consensus. The Chair is responsible for coordination of audited accounts and Treasurer Board Reports.
- The Committee appoints their Secretary. The Secretary of the Committee is responsible for committee minutes (if applicable), committee agendas (if applicable) and preparing Board agenda updates to the Board.

**(c) Qualifications**

All members have sufficient business and financial expertise to act effectively as members of the committee, as determined by the Board.

**(d) Members**

The current members the Budget & Finance Committee are:

- Committee Chair: Treasurer
- Committee Secretary:
- Committee Other:

**(e) Meetings**

The Committee will meet at least twice a year and on such other occasions as deemed necessary by the Chair.

A quorum for meetings will be 2 members.

The Committee Chair will report the findings and recommendations of the Committee to the Board at its next meeting. The minutes (if applicable) of all Committee meetings will be circulated to the Board.

**(f) Authority**

With respect to external auditor, financial statements, risk management and compliance, recommendations will be referred to the Board.

With respect to audit, the Committee's recommendations on policy, procedures and communications will be referred to the Board.

#### 14.4 Governance & Planning Committee

##### (a) Purpose

On a regular basis the Committee will consider:

- External trends and developments in relation to corporate governance
- The position the Company should take in respect to those issues
- The adequacy of the existing governance policies and procedures
- The company's communication with respect to corporate governance
- Annual Action Plan is completed in a timely manner for approval by the Board
- The monitoring and review of the Action Plan at the during and at the end of the year and report to the Board
- Coordinate the annual review of the Strategic Plan. Every 3 years coordinate the development of the FFN Strategic Plan

##### (b) Composition

- The Governance & Planning Committee will comprise of at least 2 Directors.
- The Board nominates the Chair of the Committee by consensus. The Chair is responsible for coordination of planning process and documentation.
- The Committee appoints their Secretary. The Secretary of the Committee is responsible for committee minutes (if applicable), committee agendas (if applicable) and preparing Board agenda updates to the Board.

##### (c) Qualifications

All members have sufficient business and financial expertise to act effectively as members of the committee, as determined by the Board.

##### (d) Members

The current members the Corporate Governance & Remuneration Committee are:

- Committee Chair:
- Committee Secretary:
- Committee Other:

##### (e) Meetings

The Committee will meet at least twice a year and on such other occasions as deemed necessary by the Committee Chair.

A quorum for meetings will be 2 members.

The Committee Chair will report the findings and recommendations of the Committee to the Board at its next meeting. The minutes (if applicable) of all Committee meetings will be circulated to the Board.

##### (f) Authority

With respect to planning, final strategic and operational (project) and action plans will be referred to the Board.

The Committee will determine all planning processes and make recommendations to the Board.

With respect to governance, the Committee's recommendations on policy, procedures and communications will be referred to the Board.

#### **14.5 "Project" Committee**

##### **(a) Purpose**

*Each project will have an objective it wishes to fill and these projects can become showcases for the group that build upon the company's brand and strategic purpose.*

*All projects will involve their own fundraising rather than having a separate fundraising committee.*

##### **(b) Composition**

- The "Project" Committee will comprise of at least 2 Directors.
- The Board nominates the Chair of the Committee by consensus. The Chair is responsible for project management.
- The Committee appoints their Secretary. The Secretary of the Committee is responsible for committee minutes (if applicable), committee agendas (if applicable) and preparing Board agenda updates to the Board.

##### **(c) Qualifications**

All members have sufficient fundraising, project management and good networking skills to act effectively as members of the committee, as determined by the Board.

All external communications with stakeholders is coordinated with the Communications Committee

##### **(d) Members**

The current members of the "*insert Project name*" Committee are:

- Committee Chair:
- Committee Secretary:
- Committee Other:

##### **(e) Meetings**

The Committee will meet as required to fulfil the obligations of the project and on such other occasions as deemed necessary by the Committee Chair.

A quorum for meetings will be 2 members.

The Committee Chair will report on the progress of the project and propose recommendations of the Committee to the Board at its next meeting. The minutes (if applicable) of all Committee meetings will be circulated to the Board.

##### **(f) Authority**

With respect to project management, the Committee will be responsible for fundraising, job allocation and management of budgets.

With respect to communication of projects, the Committee's recommendations will be referred to the Communications Committee.

With respect to broad project budget setting, policy and procedures, the Committee's recommendations will be referred to the Board.

