

Director Term and Tenure

KEY POINTS

- The Board supports **retaining three-year terms and introducing a maximum of three terms** for Directors.
- The Board supports introducing an ability for **a fourth term** to be offered to any Director **based on the skills required on the Board at the time**.
- The Board supports **a fourth term for the Chair**.

CURRENT SITUATION

Under the CBH Rules, Member Directors serve a three-year term following their election, with exceptions for by-elections and other unusual events. There is no limit to the maximum number of terms that a Member Director may serve.

Independent Directors are appointed by the Board for a period of up to three years. As is the case for Member Directors, there is no maximum number of terms that an Independent Director may serve.

Under the Co-operatives Act, Directors may be removed from office by an ordinary resolution of members, requiring a simple majority of those members who vote.

QUESTIONS

- Do you see the introduction of a maximum number of terms for Directors as beneficial?
- Do you agree with an extra term for the Chair?

PEER REVIEW & BEST PRACTICE GOVERNANCE

Generally, our co-operative peers have implemented three-year terms for Directors and three-term limits to tenure. For some, extension to Director and Chair terms for a fourth term is possible depending on performance and skills required.

Best practice governance principles suggest that a three-year term with a maximum of three terms generally provides ongoing co-operative knowledge while refreshing perspectives.

THE BOARD SUPPORTS

Based on the insights gained through the peer review phase, the Board supports:

- retaining three-year terms for Directors with the introduction of a maximum of three terms to encourage board renewal, while retaining experience. This would be for both Member Directors and Independent Directors.
- introducing one additional three-year term for the Chair to ensure continuity of leadership.
- introducing an ability for the Board to offer a fourth term to any Director based on the skills required on the Board at the time.

FOR GROWERS TO CONSIDER

It is important for growers to consider whether they support these changes to director tenure.

Introducing a maximum term limit will require a change to the CBH Rules, which requires member support by a two thirds majority of members who vote.

