

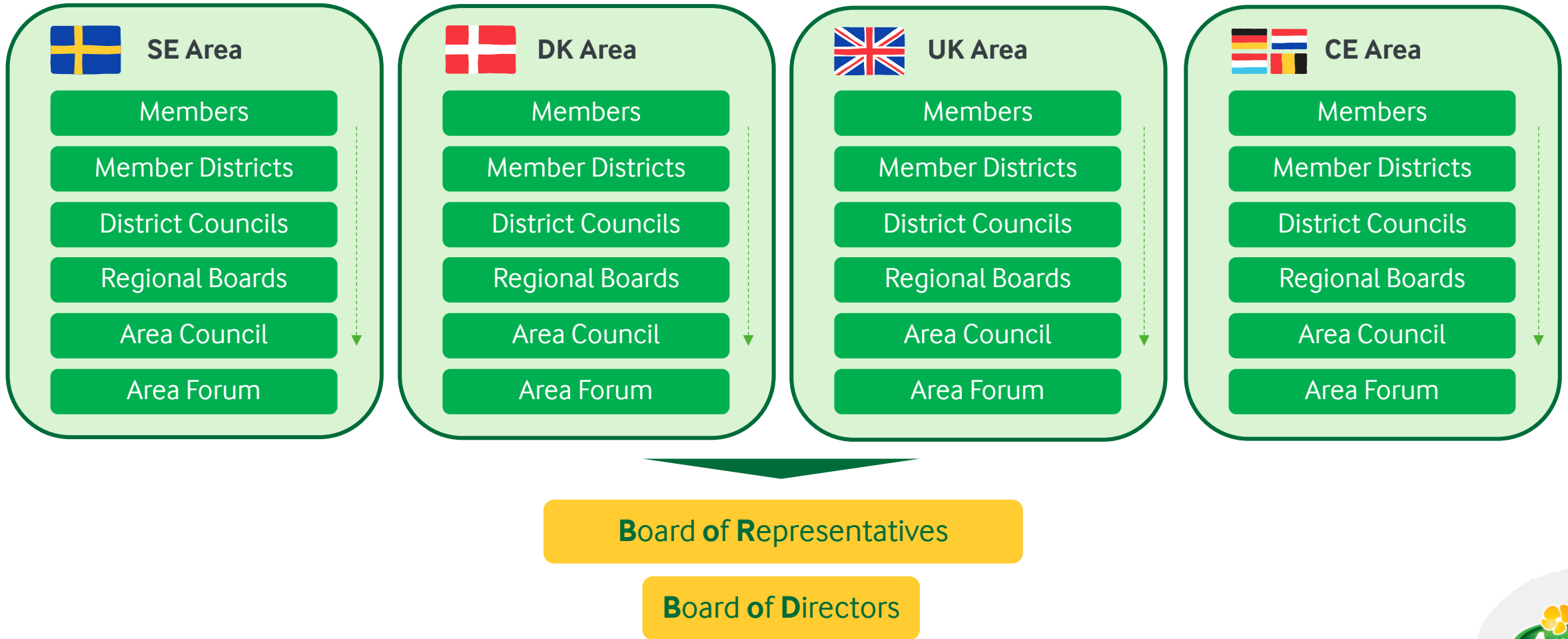
# Arla Foods' Board of Directors – Governance Process

Input from Region Nord

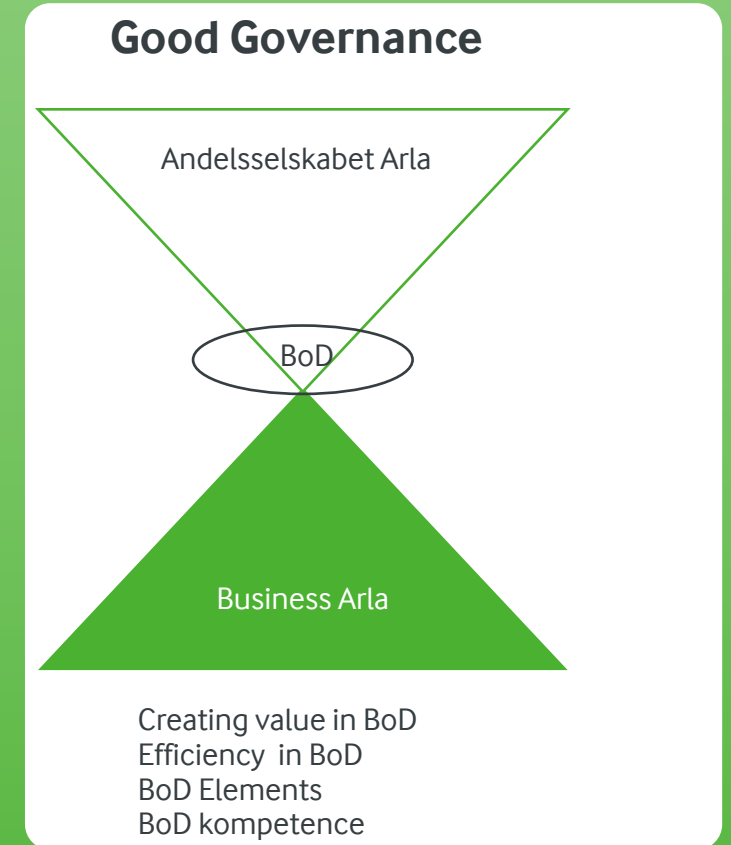
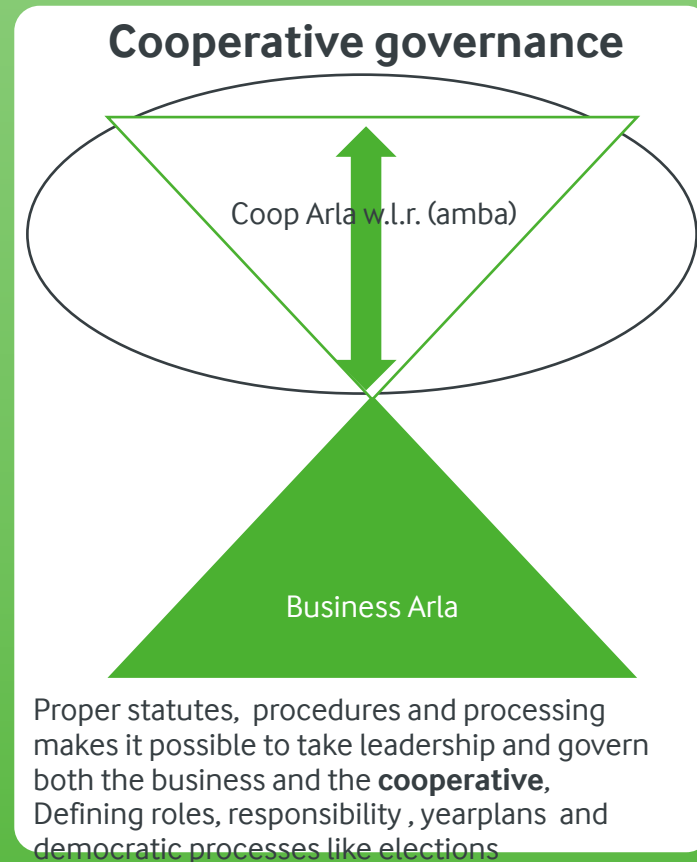
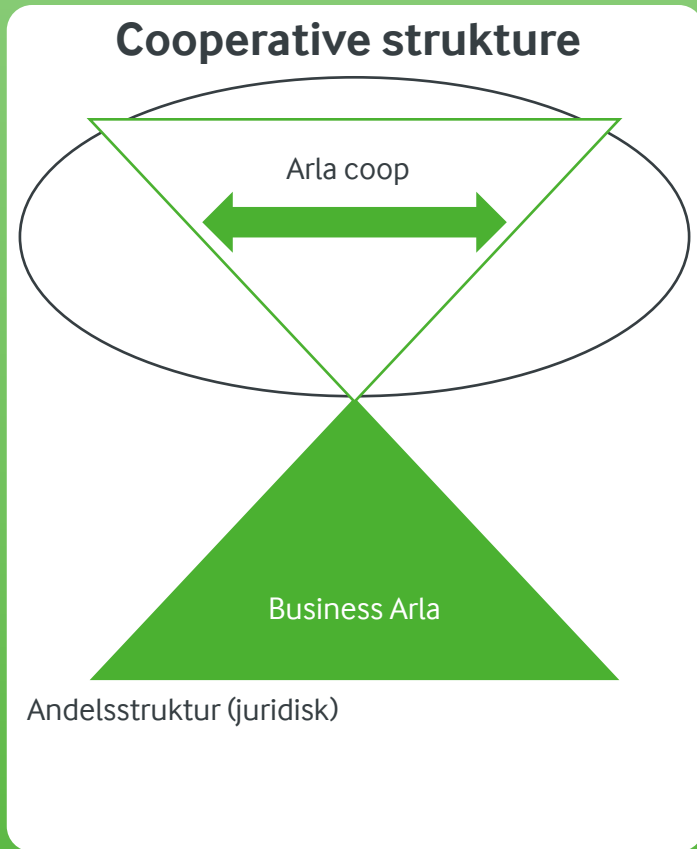


# Cooperative governance structure

Arla Foods amba



# Optimising our governance and embedding our cooperative values



Recommended  
by BoD

# Tasks of the Board of Directors

- Appointing and dismissing day-to-day management - Peder Tuborg, Povl Krogsgaard (CFO)
- Control/supervision
  - milk price/forecast
  - net profit
  - monthly accounts
  - meeting divisional managers
- Preparing financial statements - Audit
- CSR report
- Strategy - Investment
- Embedding  $\Leftrightarrow$  Two-way

# Tasks of the Management (Peder T. and Povl K.)

- Day-to-day management/operation
  - Appoint
  - Dismiss
- Bookkeeping/accounting
- Negotiating contracts
- Control
- Implementing strategy (Mergers, Investments)
- Monthly accounts - Forecast
- Fixing milk price/organic price
- Information
- Communication
- Business case

# Tasks of the Board of Representatives

- Electing the Board of Directors
- Distributing net profit
- Approving financial statements
- Knowledge sharing with the Board of Directors and Management
- Articles of Association
- Embedding – communication and information
- Connecting link/ambassador
- Member meetings

# Member opportunities

- Electing
  - District committees
  - Members of the Board of Representatives
  - Chairman/Vice-Chairman of the district
- Knowledge sharing:
  - Members of the Board of Representatives
  - Board of Directors
  - District committees

# Tasks of the district committees

- Ambassadors  $\Leftrightarrow$  embedding
- Knowledge sharing  $\Leftrightarrow$  BOR  $\Leftrightarrow$  Board of Directors  $\Leftrightarrow$  members
- Open Farms, Organic Day, etc.
- Training
- Seminar/Member meetings



# Competences of the district committees

- Same competences as the Board of Representatives?
- Interested
- Trust - respect
- Pipeline (election forum)
- Diversity
  - Age
  - Sex
  - Farm size
  - Training
  - Nationality
- Embedding!
- Communicate

## Competences of the BOR members

- Trust/respected
- Language (English)
- Diversity
  - Sex
  - Age
  - Farm type
- Interest - Devote time
- General insight /horizon
- Work and cooperate constructively
- Ready for election
- Training plan
- Safeguard the interest of the members and the company
- Asking each other: Do you have the desire and will to go all the way?

# Competences of the Board of Directors

- Acquire new knowledge
- Make decisions
- Financial insight
- Strategic insight
- Language
- Robustness
- Trust/respect
- Interpersonal skills
- Defining competences
- Training
- Asking each other: Do you have the desire and will to go all the way?
- Succession plan?
- CV for candidates
- Correlation between Board of Directors and regional boards

## Geography ↔ Whole

- Embedding
- Peace (distribution ensures the most peace)
- Size of the regional board ↔ Embedding

## Current process for board elections

- Process – framework
-

## Process for board elections in future

- 2-3 candidates - Election
- Size of the board
- Personal training plan, competence plan
- Self-training

## External board members

- Common sense - the wallet
- External knowledge can be obtained in the cooperation between the Management Board and the Board of Directors
- How are externals to be measured?
- How can externals be found?

## To-do list

(possibility of proposing candidates in advance)