

4. Functioning of the Board

4.1 Meetings of the Board

In general, the CFO Board of Directors meets as follows:

- The Board normally holds eight regular meetings per year. Additional meetings may be scheduled as required
- Annually, the Board also conducts three Board workshops on governance, strategic planning, and policy development
- Any necessary Board Hearings will be scheduled within the regular Board Meeting
- Once per quota period for industry consultation regarding the business environment and Ontario production volume requirements will be scheduled within the regular Board Meeting
- Once annually for purpose of election of Officers and Representatives (usually immediately following the Annual General Meeting)

The Board Chair and the CEO will suggest the schedule of meeting dates for Board Approval. All Board members are expected to regularly attend all Board meetings in person as well as to attend CFO's Annual General Meeting unless an emergency prevents them from doing so.

CFO also budgets for unscheduled Board meetings each year to deal with critical issues that cannot be accommodated at the regularly scheduled Board meetings. When necessary, meetings are also conducted by conference call and/or videoconference. Other meetings of CFO shall be held at the call of the Chair or upon the written request of at least two Directors of the CFO.

4.1.1. Meetings of the Board: Director Responsibilities

- *Meeting Attendance*
It is expected that each Director will make every effort to attend each Board meeting and each meeting of any committee on which he or she sits. Attendance in person is expected but attendance by teleconference is permitted, if necessary.
- *Agenda and Briefing Material*
An agenda for each Board meeting and briefing materials will, to the extent practicable in light of the timing of matters that require Board attention, be distributed to each director approximately 7 days prior to each meeting. The Chairman, in consultation with the President and CEO will normally set the agenda for Board meetings. Any Director may request the inclusion of specific items.
- *Director Preparedness*
Each Director should be familiar with the agenda for each meeting, have carefully reviewed all other materials distributed in advance of the meeting, and be prepared to participate meaningfully in the meeting, and to discuss all scheduled items of business.
- *Confidentiality*
The proceedings and deliberations of the Board and its committees are confidential. Each Director will maintain the confidentiality of information received in connection with his or her service as a Director.

- *Communications*

Directors play an important communication and engagement role with farmer-members, both proactively as well as responding to inquiries and perspectives. It is critical that a Director's communications reflect the intent of Board's Disclosure Policy with its focus on relevant transparency, accuracy, timeliness, and consistency.

Following each Board meeting, to guide and support Director communications/discussions with DCRs and farmer-members, a Board Meeting Review summarizes for each relevant agenda item: outcome, action/next steps and identifying what messaging could be communicated by a Director is prepared by staff and distributed to the Board.

4.2 Notice of Board Meetings

Notice of Board of Directors meetings will include the date and time and place of the meeting; will be generally given in writing by electronic transmission, or orally by telephone, not fewer than seven (7) days before the date of the meeting. In some circumstances teleconference/internet enabled meetings are convened and on other occasions notice can be waived by all Board members present.

Further details and exceptions to this notification are outlined in By-Law No. 23.

4.3 Quorum

A majority of the members of the Board constitute a quorum (at present five) for the transaction of business. Notwithstanding vacancies, the remaining members may exercise all the powers of the Board so long as a quorum of the Board remains in office.

4.4 Board Agendas

Board agendas are to be developed by the CEO in consultation with the Board Chair. Board materials related to agenda items will be provided to Board members sufficiently in advance of meetings to allow Directors to prepare for discussions. Directors are expected to review all materials in advance.

4.5 Board Minutes

Minutes are taken at all CFO Board meetings, kept by the Secretary and are circulated to all Board Directors prior to the next regular meeting of the Board where they are approved.

4.6 Board Performance

4.6.1 Board Evaluation Process

- a. Annually the Governance and Leadership Committee (G&L), aided by a third-party governance subject matter expert (Consultant), will prepare a process to evaluate the performance of the Board as a whole, and each committee of the Board which will engage each director.

- b. The object of the evaluation process is to assist the Board to:
 - i. Assess the overall performance of the Board and measure the contributions made collectively by the directors
 - ii. Evaluate the mechanisms in place for the Board to operate effectively and make decisions in the best interests of CFO
 - iii. Be a strategic asset of CFO
 - iv. Enhance and maintain best corporate governance practices.
- c. The Consultant will collate the results and forward them to the G&L, without attribution to originating directors, for review.
- d. The G&L will utilize evaluation results in the development of future leadership and governance development priorities and plans for both the Board and committees.
- e. The Board Chair will conduct separate interviews with each director to discuss the results of the Board and the committee evaluations.
- f. The Chair and the Consultant will report to the Board on the results of the evaluation process at the meetings of the Board following the evaluation process.

4.6.2 Director Evaluation Process

- a) Annually the Governance and Leadership Committee (G&L), aided by a third-party governance subject matter expert (Consultant), will prepare a process to evaluate the performance of individual directors. The process will ask directors to evaluate their colleagues as directors, including their contribution as Board or Committee Chairs.
- b) The object of the director evaluation process is to improve the overall performance of the Board by assisting individual directors to build on their strengths and assess their need for continuing education and training.
- c) The Consultant will collate the results and forward them, except the results relating to the Chair, to the G&L. The results relating to the Chair will be collated by the Consultant and forwarded to G&L without attribution to any director.
- d) The Consultant and the Chair will conduct separate interviews with each director to discuss the results of the director's evaluation.
- e) The Consultant will conduct an interview with the Chair to discuss the results of the directors' evaluations of the Chair.
- f) The G&L and the Chair will report to the Board on the results of the director evaluation process at meetings of the Board following the conclusion of the process.

4.7 Relationship with Management

The Board, jointly with management, has developed Board Oversight Guidelines which define the specific authorities delegated to management. The Board reviews these guidelines annually.

4.8 Direct Access to Independent Advisors

The Board, with the approval of the Chair, in consultation with the CEO and at CFO's expense, may hire advisors to assist it in fulfilling its mandate.

4.9 Farmer-Member/Stakeholder Meetings

The Annual General Meeting is to be held on or before the 31st day of March in each year at such date and time and at such place as the Board determines. At this meeting, the Board shall present the auditor's report and announce the appointment of auditors for the next succeeding annual meeting.

The important activities that form part of the Agenda for these meetings include the following:

- Chairman's Address
- Annual Performance Report from the Board
- Financial Statement for Previous Year
- Appointment of Auditors
- Budget for current year
- Messages from industry partners
- Industry reports
- Question period: farmer-members and others

Where the Board receives a petition or request from at least ten per cent of the farmer-members under the plan requesting that a special meeting of the farmer-members be held for discussion of matters respecting the operation of the plan or of the Board, the Board shall call a special meeting of the farmer-members within thirty days of receipt of the petition or request. Such petition or request shall contain or be accompanied by a statement of the matters for discussion at the special meeting.