



# New Zealand Meat Board Resolutions

## Basis of voting

The Board has determined under section 58(3) of the Meat Board Act 2004 that the voting entitlement will be on the same basis as the Beef + Lamb New Zealand (B+LNZ) constitution which is one farmer one vote for ordinary resolutions.

The definition of a farmer in the B+LNZ constitution is the owner of livestock above the minimum thresholds of 250 sheep, 50 beef or 100 dairy cows at 30 June 2020.

## RESOLUTION ONE [ORDINARY RESOLUTION]

That farmers consider and, if thought fit, pass the following ordinary resolution:

- That the Director fees pool for producer and industry directors be increased to \$180,000 per annum from \$144,200.

This increase represents a fee increase for the Chairman to \$40,000 (currently \$29,050) and for farmer and industry Directors to \$20,000 (currently \$16,300).

## Explanatory note

### Board review of Director fees 2020

The last NZMB Directors' fee increase was in 2018 for the Chairman and 2016 for each Director.

During the 2020 year the Board commissioned an independent party (Mitchell Notley and Associates Limited) for an analysis and benchmarking of governance fees for similar organisations. This report can be found at [www.nzmeatboard.org](http://www.nzmeatboard.org)

The review also considered Director workload and responsibilities for the NZMB. The review included consideration of the trade issues currently in front of the Board for Brexit and the European Union. EU and UK market access has implications for quota management and allocation within New Zealand to our meat exporters.

The Board wants fees for NZMB Directors positioned to fairly represent the responsibilities and time commitment required for the role.

Your Board is satisfied based on the Mitchell Notley review that the fees proposed are fair and reasonable and reflect the expertise, time, and responsibilities of a NZMB Director role. The fees proposed are in the lower quartile of the benchmarking undertaken.

Each Board (NZMB and B+LNZ) is reviewed based upon their own responsibilities and the commitments required of Directors. Your Board is conscious the increase proposed is significant, however it believes that Director roles must be fairly compensated against benchmarks to ensure the best possible candidates are attracted to apply.

## Directors' Independent Remuneration Committee (DIRC)

Your Board has also reviewed the role of DIRC in the 2020 year. DIRC had provided an independent review of Director fees for both B+LNZ and the New Zealand Meat Board based upon benchmarking and their knowledge of primary sector organisations. The Board decided to disestablish DIRC because the Board is ultimately accountable for any Director fee recommendations made to farmers and as such each Director needs to be fully appraised of Director fee benchmarks.

The NZMB acknowledges the contribution and professional approach on behalf of farmers of the DIRC members David Nelson (Chair), Derrick Millton and Bruce Wills since DIRC was established in 2016.

## RESOLUTION TWO [ORDINARY RESOLUTION]

That farmers consider and, if thought fit, pass the following ordinary resolution:

- That KPMG be appointed as the New Zealand Meat Board's auditor for the year ending 30 September 2021.

## Explanatory note

The Board recommends that KPMG continue in the role of auditor for the New Zealand Meat Board for the 2021 financial year.

The Board benchmarks audit fees against similar organisations and continues to consider the fees charged are competitive and allow for a thorough audit process.

The KPMG partner responsible for the annual audit is five years into his rotation. The External Reporting Board (XRB) is an independent Crown Entity responsible for accounting and auditing and assurance standards in New Zealand and their maximum prescribed rotation period for audit partners is seven years for Public Benefit Entities.