

GA3: Minutes of 3rd General Assembly

Date : Wednesday, 22 November 2006
Venue : Topaz Room (Level 2), Sheraton Towers Singapore
Start Time : 1600hrs (Singapore)

Agenda:

1. Members' roll call
2. Opening address by the RSPO President, Mr Jan Kees Vis
3. To receive the Report of the RSPO President
4. To receive and adopt the Report of the RSPO Treasurer
5. To confirm minutes of the last General Assembly held on 23 November 2005
6. To adopt the Members' Code of Conduct
7. To adopt a new Financial Protocol for RSPO (approval of auditor)
8. To adopt RSPO verification protocol
9. To adopt proposals by RSPO Members:
 - 9.1 Appeal to RSPO to adopt patronage of pilot study (PanEco)
 - 9.2 Technical Committee on Biodiversity (IFC)
 - 9.3 Buyers/consumers to pay for auditing, certification and verification of claims by RSPO certified producers (MPOA)
 - 9.4 Restructuring RSPO membership subscription for smaller players & smallholders (MPOA)
 - 9.5 Staggered terms of EB members (WWF Switzerland)
10. To adopt proposed changes to the RSPO By Laws:
 - 10.1 Grievance procedure
 - 10.2 New membership category: Honorary Membership
 - 10.3 RSPO Vision and Mission
11. Lessons learnt from EB1: Advice to membership in election of sectoral representatives to EB
12. To elect a new Executive Board – Only relevant for RSPO Ordinary Members from the membership categories specified below:
 - 12.1 Oil Palm Growers (Rest of the World) – 1 seat
 - 12.2 Palm Oil Processors and/or Traders – 2 seats
13. Any other business

Minutes:

1. Members' roll call

The 3rd General Assembly of RSPO members was called into order by RSPO President, Mr Jan Kees Vis who presided over the meeting after the minimum requirement for quorum of 50% of Ordinary Member attendance was reached, as the final 91 Ordinary Member representatives assured it. The RSPO President reminded all members to be more diligent in replying to the RSPO Secretariat on the General Assembly notice in future years.

2. Opening address by the RSPO President, Mr Jan Kees Vis

The RSPO President opened the 3rd General Assembly (GA3) and requested members representatives and proxies to follow the meeting using notes provided with the Notice.

3. To receive the Report of the RSPO President

The RSPO President delivered his report, covering all activities carried out, reporting on RSPO work from the last General Assembly (GA2) to present. The report of the President was received by the membership.

4. To receive and adopt the Report of the RSPO Treasurer

The General Assembly received the report of the Treasurer for the Financial Year 2005-06. The report also clarified that the audited accounts for RSPO could not be completed in time for GA3 but the presentation provided key information on the cash position of RSPO. Related questions on the legal status of RSPO and ability to provide resources/funds for projects were raised by members.

On the issue of outstanding subscriptions and recovering old fees due, the Treasurer expressed confidence that outstanding subscriptions would be better managed with the recent appointment of an administrator within the Secretariat. In responding to questions on whether there is a problem with billing or invoicing for membership dues, the Treasurer sought for members to ensure contact persons and details are kept updated with the Secretariat to ensure invoicing is sent to relevant contacts.

The Treasurer also pointed out that the Executive Board would be putting in place steps to ensure that the RSPO Secretariat based in Kuala Lumpur would conform to national laws on employment and status.

5. To confirm minutes of the last General Assembly held on 23 November 2005

Two amendments were tabled for the General Assembly from Malaysian Palm Oil Association (MPOA) and a late submission from. These amendments to the GA2 minutes were accepted by the General Assembly and the minutes were then confirmed.

6. To adopt the Members' Code of Conduct

Proposals for changes were brought up by International Finance Corporation (IFC) on behalf of the banking sector while MPOA proposed other suggestions for changes to the text.

The changes proposed were then stopped by members who pointed out that only matters tabled and notified to RSPO members can be discussed and voted on. In particular, proposed changes, inputs, etc. that is not provided within given timeframes for the General Assembly notice should not be

accepted. The RSPO President put forth the options open to members at that point; to vote on the existing draft or consider changes with proxies needing to ensure their substantive members being represented are able to understand and decide on the matter.

A proposal was then made for the existing draft to be voted on and the Executive Board (EB) to take on the task of considering and (where applicable) amending the Code of Conduct to capture concerns raised.

The General Assembly approved the RSPO Members' Code of Conduct subject to Executive Board addressing incorporation of points made by IFC and MPOA.

Voting: Yes- 66; No- 9; Abstain- 16.

7. To adopt a new Financial Protocol for RSPO (approval of auditor)

The new Financial Protocol was proposed to the General Assembly by the RSPO Treasurer. The proposal calls for the RSPO management (i.e. RSPO Secretariat) are responsible for preparing the accounts and audit firm Parker Randall (a qualified and experienced Account & Audit firm based in Malaysia where the Secretariat is based) were proposed as auditors for Financial Year 2005/06. In addition, it was proposed that Parker Randall be appointed as auditors for Financial Year 2006/07 and the remuneration of the auditors would be left to the discretion of the EB. The audited accounts would be signed by the auditor and the President of the RSPO.

The General Assembly accepted and approved the new Financial Protocol proposed.

Voting: Yes- 74; No- 12; Abstain- 5.

8. To adopt RSPO verification protocol

RSPO President reported to the members that the process of developing a suitable, practical and credible scheme for verifying sustainable palm oil, a setback has been the dissatisfaction by some groups, namely a few NGOs with the process. A letter that put together important issues and suggestions was submitted to the RSPO, through the RSPO President on Monday, 20th November 2006. In deliberating the matter further, the Executive Board recommends to the General Assembly that the verification process take into account stakeholder concerns through taking the following steps:

- Balance out sectoral representation within the Verification Working Group (VWG).
- Invite additional verification experts as necessary to ensure that VWG has relevant expertise at hand.
- ProForest to revise present draft with suggested changes for VWG attention.
- Translate key documents to Bahasa and Spanish.
- ProForest to revise current budget and RSPO to source for funding.
- Conduct physical VWG meeting in early 2007.
- Verification protocol to be finalized by June 2007 for full testing.

9. To adopt proposals by RSPO Members

9.1 Appeal to RSPO to adopt patronage of pilot study (PanEco)

A brief presentation was made by PanEco to explain the project. It was clarified that PanEco sought RSPO's endorsement to this project as this would lend weight in seeking funds/resources for the work.

Approved by GA.

Voting: Yes- 40; No- 5; Abstain- 46.

9.2 Technical Committee on Biodiversity (IFC)

IFC briefly presented the Technical Committee on Biodiversity (TBC) and addressed questions on roles. While the expected annual budget to run TBC is estimated in the range of US\$40,000 it was also made known that IFC would commit to some partial funding while RSPO was asked to take a prominent role in leading or co-ordinating the activities or work of TBC.

Approved by GA.

Voting: Yes- 69; No- 14; Abstain- 8.

9.3 Buyers/consumers to pay for auditing, certification and verification of claims by RSPO certified producers (MPOA)

MPOA proposed a system for transferring costs that was meant to provide for better distribution of costs. However, the GA was warned by the RSPO President of the subject matter's clash with existing anti-trust regulations that many members were legally bound to. As the proposal did not receive any positive feedback as is, it was suggested to MPOA that the proposal be re-worked and elaborated to give details on what mechanisms are proposed, justifications, etc.

Rejected by GA.

Voting: Yes- 21; No- 56; Abstain- 14.

9.4 Restructuring RSPO membership subscription for smaller players & smallholders (MPOA)

MPOA elaborated on a proposal to adjust subscriptions based on size of potential member to accommodate smaller producer players without ability to meet the Ordinary Membership annual fees of €2,000. However, MPOA was advised to re-table the proposal suggesting specifics on reduced rates.

Not voted on by GA.

9.5 Staggered terms of EB members (WWF Switzerland)

A proposal on this was tabled to the General Assembly for adoption. In addition, terms for the incoming RSPO Executive Board would be decided at the Board meeting.

Approved by GA.

Voting: Yes- 79; No- 8; Abstain- 4.

10. To adopt proposed changes to the RSPO By Laws:

The following items were not discussed in plenary due to lack of time. The notes as given from the Notice were referred.

10.1 Grievance procedure

This item was removed by the Executive Board pending refinement.

10.2 New membership category: Honorary Membership

Approved by GA.

Voting: Yes- 76; No- 2; Abstain- 13.

10.3 RSPO Vision and Mission

Approved by GA.

Voting: Yes- 69; No- 13; Abstain- 9.

11. Lessons learnt from EB1: Advice to membership in election of sectoral representatives to EB

Presentation cancelled due to lack of time.

12. To elect a new Executive Board – Only relevant for RSPO Ordinary Members from the membership categories specified below:

12.1 Oil Palm Growers (Rest of the World) – 1 seat

Election for 1 seat between 2 candidates:

- i. Jens Mesa Dishington, FEDEPALMA
- ii. Simon Lord, New Britain Palm Oil Ltd.

The seat was taken up by Simon Lord.

12.2 Palm Oil Processors and/or Traders – 2 seats

Elections were carried out for 2 seats between 4 candidates. One withdrawal was made in the run-up to GA3, i.e. Ronnie Tan, Uniqema.

- i. Ian McIntosh, Aarhus Karlshamn UK
- ii. Alan Southworth, PT Musim Mas
- iii. Don Grubba, IOI Group
- iv. John Hall, Peter Cremer GmbH

The two seats were taken up by Ian McIntosh and Don Grubba.

13. Any other business

Item not discussed due to lack of time.

The RSPO President ended the General Assembly by acknowledging that preparations for GA3 were inadequate considering the range of topics and debate that took place. In particular, the RSPO President provided the following points for improvement for the next General Assembly, in direct response to members' complaints:

- Adequate room sizing.
- Provision of seating for key RSPO Executive Board Members (i.e. President, Vice-Presidents and Treasurer)
- More detailed examination and vetting of proposals for GA4.
- Improved time allocation for discussion of proposals.

<Meeting adjourned at 1900>

RSPO Secretariat
20 December 2006

Jan Kees Vis, President
Roundtable on Sustainable Palm Oil (RSPO)

List of RSPO Members represented at GA3 (including proxies) during GA3:

Ordinary Members:

1. Aarhus Karlshamns Sweden
2. Aarhus Karlshamns UK
3. AB Fortum
4. Agropalma Group
5. Biofuels Corporation
6. BioX
7. BOS International
8. BothENDS
9. Boustead Plantations Berhad
10. BP
11. Britannia Food Ingredients
12. Burton's Foods Ltd
13. Cadbury Schweppes
14. Cargill BV
15. Cargill Palm Products Sdn Bhd
16. Carotino Sdn Bhd
17. CMS Resources Pte Ltd
18. Cognis Deutschland GmbH & Co KG
19. Coop
20. CO-OP CLEAN Co Ltd
21. Co-operative Insurance Society
22. Daabon
23. Earthcycle Packaging Ltd
24. EcoSecurities PLC
25. EDF Energy
26. Essent Energy Trading BV
27. Fedepalma
28. Felda Plantations Sdn Bhd
29. Florin AG
30. Fuji Oil Group
31. Glencore Grain BV
32. Golden Hope Plantations Bhd
33. Goodman Fielder Ltd
34. Greenergy Biofuels Ltd
35. Hap Seng Consolidated
36. HSBC Bank Malaysia Bhd
37. IJM Plantations Berhad
38. Imperium Renewables Inc
39. Indonesian Palm Oil Producers Association (GAPKI)
40. Intercontinental Specialty Fats Sdn Bhd
41. International Finance Corporation
42. IOI Corporation Bhd
43. Itochu Corporation
44. Johnson & Johnson Consumer Companies, Inc
45. KOG Edible Oils BV
46. Kuala Lumpur Kepong Bhd
47. Kulim (Malaysia) Bhd
48. Kuok Oils & Grains Pte Ltd
49. Lion Corporation
50. Lipidos Santiga

51. M P Evans Group PLC
52. Malaysian Palm Oil Association (MPOA)
53. MidStreamOil AB
54. Migros
55. Mitsubishi Coporation
56. Neste Oil Corporation
57. New Britain Palm Oil Ltd
58. Oxfam/Novib
59. PanEco
60. Permata Hijau Group
61. Pesticide Action Network (PAN) Asia and the Pacific
62. Peter Cremer (S) GmbH
63. PPB Oil Palms Berhad
64. PT Agro Bukit
65. PT Agro Indomas
66. PT Agro Jaya Perdana
67. PT Inti Indosawit Subur
68. PT Musim Mas
69. PT PP London Sumatra Indonesia
70. PT SMART
71. Rabobank
72. Safic-Alcan
73. Saraya Co Ltd
74. Sawit Watch
75. SIAT SA
76. Sime Plantations Sdn Bhd
77. SIPEF Group
78. Socfin Group
79. Spsychiger Oil Trading AG
80. Sumi Asih Oleochemical
81. TH Plantations Sdn Bhd
82. The Body Shop International
83. Unilever
84. Uniqema (Malaysia) Sdn Bhd
85. United Plantations Bhd
86. US Food Group
87. Vance Bioenergy Sdn Bhd
88. Wilmar International Ltd
89. WWF Switzerland
90. WWF Indonesia
91. WWF Malaysia

Affiliate Members:

1. Borneo Child Aid
2. CIRAD
3. Environmental Management & Monitoring Pty Ltd
4. FEDIOL
5. Jonganeel Agencies BV
6. POIC Sabah Sdn Bhd
7. Product Board for Margarine, Fats and Oils
8. PT Syngenta Indonesia
9. qa plus asia-pacific Sdn Bhd
10. Syngenta Crop Protection AG