

## **Resolution 6b**

### Proposed Resolution to be adopted at the 11th General Assembly of the Roundtable on Sustainable Palm Oil (RSPO)

20<sup>th</sup> of November 2014

**TITLE:** RESOLUTION TO AMEND THE RSPO STATUTES AND CODE OF CONDUCT

**Submitted By:** Unilever, WWF International, PT Agro Indomas\*, MPOA, New Britain Palm Oil, AAK, Felda, Mondelez International, Marks & Spencer, Aldi-South Group, Boots UK, Coles, Coop Switzerland, Delhaize Group, Federation of Migros Cooperatives, Royal Ahold, Sainsbury's, Tesco, The Body Shop International, The Co-operative Food, Waitrose, IOI Group, Rabobank, HSBC, Oxfam, Both ENDS, Conservation International, PT Musim Mas\*, Daabon, Univanich Palm Oil PCL, Olam International Limited, Zoological Society of London

*\* Representatives of the Indonesian Growers Caucus*

The proponents of this resolution intends:

For the RSPO to amend the RSPO Statutes and the Code of Conduct for the following reasons:

1. To remove terms used in the Code of Conduct and the RSPO statutes that are no longer in use by the RSPO. "Executive Board" and "by-laws" are the main terms removed and updated.
2. To make a provision in the RSPO statutes for the Board of Governors to bestow Honorary Membership status to individuals who are outstanding in their service for RSPO.
3. To make a provision in the RSPO Statutes and the Code of Conduct to allow the Secretary General to act on behalf of the Board to terminate or suspend members. This would be only for instances where the Board of Governors have clearly identified and have specified guidelines for.

The changes appears in the following items:

- i) 1.1, 5.2, 5.3, 5.4 & 5.5 of the revised Code of Conduct.
- ii) 4(a)(iv), 5(b), 7(d), 8(b), 8(c), 8(d), 9(a)(i), 9(a)(iv), 9(b)(i), 9(e)(ii), 10(c), 10(d) of the revised RSPO statutes.

The proponents of this resolution humbly requests that the 11<sup>th</sup> General Assembly repeal the existing RSPO Statutes<sup>1</sup> and Code of Conduct<sup>2</sup> and to replace them with the revised RSPO Statutes (See Appendix A) and Code of Conduct (See Appendix B).

---

<sup>1</sup> The existing RSPO statutes can be downloaded for review at [http://www.rspo.org/en/rspo\\_statutes\\_and\\_by-laws](http://www.rspo.org/en/rspo_statutes_and_by-laws)

<sup>2</sup> The existing Code of Conduct can be downloaded for review at [http://www.rspo.org/en/rspo\\_code\\_of\\_conduct](http://www.rspo.org/en/rspo_code_of_conduct)

**THE STATUTES OF THE ROUNDTABLE ON SUSTAINABLE PALM OIL**

This Statute is made pursuant to Article 60 of the Swiss Civil Code (“Statutes”)

1. Name

- (a) An international association named “**Roundtable on Sustainable Palm Oil**” (“RSPO”) is established in Zurich in accordance with Article 60 of the Swiss Civil Code and RSPO is governed by Swiss Law.
- (b) RSPO is a non-profit association that unites stakeholders from seven sectors of the palm oil industry to develop and implement global standards for sustainable palm oil.

2. Objectives

RSPO’s objectives are to promote the growth and use of sustainable palm oil through cooperation within the supply chain and open dialogue with its stakeholders and the following are among others, the tasks that RSPO will work on:

- (a) Research and development of definitions and criteria for the sustainable production and use of palm oil;
- (b) Undertake practical projects designed to facilitate implementation of sustainable best practices;
- (c) Development of solutions to practical problems related to the adoption and verification of best practices for plantation establishment and management, procurement, trade and logistics;
- (d) Acquisition of financial resources from private and public funds to finance projects under the auspices of the RSPO;
- (e) Communication of the RSPO’s work to all stakeholders and to a broader public.

3. Seat

- (a) The registered office of the RSPO is in the city of Zurich, Switzerland.
- (b) The seat can be transferred by ordinary decision of the Board of Governors and the General Assembly shall be notified by the Board of Governors of such changes of the seat.

4. Memberships

- (a) RSPO shall be composed of the following category of members:-
- (i) Ordinary members are any organisations that have either direct involvement, or have activities around, the palm oil supply chain (“Ordinary Members”);
  - (ii) Affiliate members are any individuals or organisations that have indirect involvement or interest in the palm oil supply chain (“Affiliate Members”). Affiliate Members do not have voting rights at the RSPO General Assembly and they are allowed to publicly state they are Affiliate Members of RSPO;
  - (iii) Supply chain associates are any organisations that are active in the supply chain of RSPO certified palm oil and purchase less than 500 metric tons of palm oil products per year (“Supply Chain Associates”). Supply Chain Associates do not have voting rights at the RSPO General Assembly and are allowed to publicly state they are Supply Chain Associates of RSPO
  - (iv) Honorary memberships which may be awarded by the Board of Governors to an individual who has been recognized, to the Board of Governors sole and absolute satisfaction, of their exemplary and long standing contributions to the RSPO. Honorary Members do not have voting rights including at the RSPO General Assembly and they are allowed to publicly state they are Honorary Members of RSPO. This membership is non-transferable.

The Ordinary Members, Affiliate Members and Supply Chain Associates are collectively referred to as “RSPO Members”. For avoidance of doubt, subject to Clause 4 (a) (iv), Honorary Members do form part of RSPO’s membership but will, for the purposes of this Statutes, be addressed and referred to specifically, where necessary.

- (b) Each RSPO Member shall be represented by one (1) or more persons of their choice and their representative(s) must prove their identity with a power of attorney in writing.
- (c) Both Ordinary Members and Affiliate Members shall be bound by the Code of Conduct.

5. RSPO Membership Fee

- (a) RSPO Member’s initial membership shall be for a period of two (2) years (“Membership Period”). The Membership Period will be specified via official notification from the RSPO Secretariat. Upon expiry of the Membership Period, the membership of each RSPO Member shall be automatically renewed (unless the membership is terminated in writing three months before the expiry of the Membership Period) subject to payment of the Membership Fee.
- (b) An Honorary Member will enjoy a non-transferrable lifetime membership tenure and there will be no fees attached to this membership.

## Appendix A

(c) The Membership Fee Structure is as follows:

Membership Category	Membership Sector	Annual Membership Fee (EURO)
Ordinary	Oil Palm Growers	
	1) Oil Palm Growers – Malaysia	2000
	2) Oil Palm Growers – Indonesia	2000
	3) Oil Palm Growers – Rest of the World	2000
	4) Oil Palm Growers – Smallholder Group Manager	
	• >1999 hectare	2000
	• 1000 – 1999 hectare	1000
	• <1,000 hectares	250
	5) Oil Palm Growers – Small Grower (less than 500 hectares)	500
Ordinary	Palm Oil Processors and/or Traders	2000
Ordinary	Consumer Goods Manufacturers	2000
Ordinary	Retailers	2000
Ordinary	Banks and Investors	2000
Ordinary	Environmental/Nature Conservation Organisations (Non Governmental Organisations)	2000
Ordinary	Social/Development Organisations (Non Governmental Organisations)	2000
Affiliate	Affiliate	250
Supply Chain Associates	Supply Chain Associates	100
Honorary Member	Honorary Member	No membership fee for life.

RSPO Members shall pay the Membership Fee for the first year of membership on submission of an official membership application. The fee for the second year of membership shall be paid by the Member on the first anniversary as Members of RSPO.

(d) Subject to the renewal as described in Article 5(a) above, the Membership Fee shall be paid annually after the renewal.

6. Admission of RSPO Members
  - (a) In order to become a RSPO Member, the interested party must complete the application form in which the completed application form shall be addressed to the Secretary General and the Secretary General shall consider the application request.
  - (b) The Secretary General may reject any application request without having to inform the interested party of the reasons motivating such decision.
  - (c) The Secretary General shall have the power to delegate the authority to approve or reject the application request to the Secretariat.
  - (d) The membership of the interested party will be effective after the notification of membership approval is issued by the Secretary General.
  - (e) The interested party that is applying to become Ordinary Members must specify and qualify for one of the following sectors and sub-sectors;
    - (i) Oil palm growers:
      - (i.i) Oil Palm Growers – Malaysia
      - (i.ii) Oil Palm Growers – Indonesia
      - (i.iii) Oil Palm Growers – Rest of the World
      - (i.iv) Oil Palm Growers – Smallholder Group Manager
      - (i.v) Oil Palm Growers – Small Grower
    - (ii) Palm oil processors and/or traders
    - (iii) Consumer goods manufacturers
    - (iv) Retailers
    - (v) Banks and investors
    - (vi) Environmental/Nature conservation organisations (Non-Governmental Organisations)
    - (vii) Social/ development organisations (Non-Governmental Organisations)
7. Rights of RSPO Members
  - (a) Ordinary Members
    - (i) Ordinary Members shall have voting rights at the General Assembly and are able to publicly state that they are members of RSPO.
    - (ii) Ordinary Members can access all the material produced by the Secretariat for specific documentation.
    - (iii) Subject to the provisions in Article 11(b), Ordinary Members or their representatives are eligible for election to the Board of Governors. They can participate in any of the meetings of the General Assembly and thematic Working Groups.

- (b) Affiliate Members
  - (i) Affiliate Members can attend and participate in any of the meetings of the General Assembly but do not have voting rights.
  - (ii) Affiliate Members are allowed to publicly state they are affiliate members of RSPO.
  - (iii) Affiliate Members may have limited access to RSPO information as determined by the Board of Governors
- (c) Supply Chain Associates
  - (i) Supply Chain Associates can attend and participate in any of the meetings of the General Assembly but do not have voting rights.
  - (ii) Supply Chain Associates are allowed to publicly state they are supply chain associates of RSPO.
  - (iii) Supply Chain Associates may have limited access to RSPO information as determined by the Board of Governors
- (d) Honorary Members
  - (i) Honorary Members can attend and participate in any of the meetings of the General Assembly but do not have voting rights.
  - (ii) Honorary Members are allowed to publicly state they are Honorary Members of the RSPO.
  - (iii) Honorary Members may have limited access to RSPO information as determined by the Board of Governors
  - (iv) Honorary Members may attend any conference officially organized by the RSPO, participation fees will be waived.

8. Termination of Membership

- (a) A membership shall be deemed to have ceased by virtue of the following:
  - (i) By any of the RSPO Members which shall be effective by the issuance of a resignation letter to the Secretary General with a minimum notice period of six (6) months; or
  - (ii) Death of an individual member or dissolution of a member's legal entity.
- (b) In the event of the following and subject to clause 8 (c) below:
  - (i) Any circumstances that the Board of Governors may think fit to terminate the membership; or
  - (ii) Breach of the Statutes including failing to pay the membership fee within three (3) months of having received an invoice; or

(iii) Breach of the Code of Conduct;

RSPO shall notify the RSPO Member of such events, in which the said RSPO Member shall then explain to the Board of Governors of reasons why the membership should not be terminated. The Board of Governors may proceed to terminate the membership of such member if the explanation is not satisfactory in the sole discretion of the Board of Governors without further reference to the RSPO Member.

- (c) Notwithstanding the generality of Clause 8 (b) above, the Secretary General may terminate or suspend the membership of an RSPO Member for breaches of any rule or code which applies to an RSPO Member under this Statutes or the Code of Conduct including for the non-payment of the requisite membership fee, provided always that any such termination or suspension shall be in accordance with procedures to be determined and approved by the Board of Governors from time to time. In such circumstance, the Secretary General shall notify the RSPO Member of its concerns in which the said RSPO Member shall then explain to the Secretary General of reasons why the membership should not be terminated or suspended. The Secretary General may proceed to terminate or suspend the membership of such RSPO Member if the explanation is not satisfactory in the sole discretion of the Secretary General, without further reference to the RSPO Member or the Board of Governors. The Board of Governors will be informed after a termination of suspension of membership has been carried out by the Secretary General.
- (d) An Honorary Member may cease to assume one's membership by issuing a written notification to the Secretary General with a minimum notice period of three (3) months. For avoidance of doubt, until and unless an Honorary Member elects to cease being a member of RSPO, the said honorary membership is for life and the Board of Governors may not, except in exceptional circumstances, terminate the membership of such member.

### 9. Ordinary General Assembly

(a) Composition

- (i) The ordinary General Assembly shall be comprised of all RSPO Members, including the Honorary Members.
- (ii) Each RSPO Member shall designate in writing a representative, preferably among its managerial staff, who will have the authority to attend and represent that RSPO Member at the ordinary General Assembly.
- (iii) The mandate of such representative of the RSPO Member shall be terminated automatically as soon as the representative ceases to be an employee of the RSPO Member, or his/her association with the RSPO Member ceases to exist or if their relations are terminated in any way, or if the membership with RSPO itself is terminated.

## Appendix A

- (iv) If no representative of the Ordinary Members can be present at the ordinary General Assembly, a proxy can be given to another Ordinary, Supply Chain Associate or Affiliate Member in writing. Such proxy is valid only for a specific ordinary General Assembly date. An Honorary Member however may only participate at the ordinary General Assembly by being present and not through a proxy.
  - (v) An Ordinary Member may vote by casting a vote at a General Assembly (whether by itself or by proxy) or by other electronic means in accordance with procedures to regulate voting by means of the internet or other electronic means ("E-Vote") which shall be approved from time to time by the Board of Governors.
- b) Notice
  - (i) The RSPO Members, including all Honorary Members, shall be notified at not less than twenty one (21) days, but not more than sixty (60) days before the date of the General Assembly with a written notice for the ordinary General Assembly meeting stating the place, day and time of the meeting as well as the agenda. The agenda shall be indicated on the convening note. Only the issues mentioned on the agenda can be decided upon.
  - (ii) The period of not less than twenty one (21) days shall not apply in the case of an annual General Assembly that is adjourned in respect of the matters mentioned in Article 18.
- (c) Quorum and Votes
  - (i) The Board of Governors shall convene a General Assembly of the RSPO annually.
  - (ii) The General Assembly meeting shall be validly constituted if a minimum of eighty (80) of the Ordinary Members are present or represented at the annual General Assembly or submits an E-Vote in respect of any resolution or other matter which requires the decision of the Ordinary Members at the annual General Assembly.
  - (iii) If a quorum, referred to in the above paragraph, is not present within one (1) hour from the time appointed for holding the meeting, the chair of the meeting shall be adjourned to another future date, not less than seven (7) days into the future; and if at such adjourned annual General Assembly, the quorum is not present within one (1) hour from the time appointed for holding the adjourned meeting, the members present shall constitute the quorum.
  - (iv) During the General Assembly every Ordinary Member shall have one vote.
  - (v) Any E-Vote cast pursuant to an approved E-Voting procedure shall be deemed to constitute a vote by an Ordinary Member at the General Assembly.



- (vi) In addition to procedures to regulate E-Voting as approved from time to time by the Board of Governors, the following shall be applicable with regard to an E-Vote:
- In the event that the Ordinary Member has voted by way of an E-Vote that Ordinary Member shall not then cast a vote at the General Assembly in respect of the proposed resolution for which the E-Vote was submitted.
  - An Ordinary Member may submit their E-Vote at any time between receipt of the convening note (pursuant to Article 9 (b)(ii)) and forty eight (48) hours before the scheduled commencement of the Ordinary General Assembly (“E- Voting Period”). For the avoidance of doubt, any vote which is submitted after the E-Voting Period shall not be counted.
  - In the event the Ordinary General Meeting is adjourned, any E-Vote submitted by an Ordinary Member in respect of any proposed resolution or other matter for which the E-Vote was submitted shall not be counted as a vote by the Ordinary Member at the adjourned Ordinary General Assembly and the Ordinary Member shall be entitled to cast a fresh vote in respect of any similar resolution or matter requiring a decision at the adjourned Ordinary General Meeting.
- (vii) Except in the cases of Dissolution according to Article 18 below and as stated otherwise, decisions of the General Assembly are taken by simple majority vote of the Ordinary Members present and the Chairperson(s) shall have a casting vote.
- (d) The Board of Governors shall cause to be prepared and present to the annual General Assembly, among other, the following:
- (i) a report on the activities of the RSPO during its term of office;
  - (ii) proper accounts, duly audited, of all funds, property and assets of the RSPO for the twelve months ending on (RSPO's financial year end) immediately preceding such annual General Assembly;
  - (iii) the Chairperson(s), assisted by the Secretary General and members of the Board of Governors presides over the General Assembly and presents the annual report and accounts of RSPO.
  - (iv) the Treasurer shall report on financial management of the RSPO and submit the previous end of year statement and the budget for the next accounting period to the approval of the General Assembly.
  - (v) the General Assembly shall decide on, among others, the following:
    - the annual membership fee to be paid by the members.
    - approves the accounts of the previous fiscal year and gives discharge to the Board of Governors or on request as provided below, any other item can be brought on the agenda;

- (vi) The General Assembly meeting has the power to take all necessary or useful actions to accomplish the purpose of RSPO. In particular, but without any limitation, it has the power to:
    - Elect the members of the Board of Governors as detailed in Article 11(b);
    - Elect the auditor of RSPO;
    - Establish the principle guidelines for the general policy of RSPO;
    - Take into consideration and decide on proposals of the Board of Governors;
    - Make all recommendation to the Board of Governors in view of the establishment of any useful Committee or Working Group;
    - Approve RSPO annual accounts and budgets.
  - (vii) After exhaustion of all other items on the agenda, the resigning members of the Board of Governors shall be replaced by elections.
  - (e) Minutes
    - (i) The deliberations of the General Assembly meetings shall be recorded in minutes prepared and signed by the Chairperson(s) of the meeting and approved by the General Assembly.
    - (ii) All RSPO Members, including all Honorary Members, shall have access to the minutes which will be available on the RSPO website. Paper copies will be available on request. All minutes are kept in a register at the Secretariat, where all members may consult and take copies thereof.
10. Extraordinary General Assembly
- (a) If needed or upon request of one fourth of the registered Ordinary Members, the Chairman must convene an Extraordinary General Assembly to the formalities set in Article 9.
  - (b) During the Extraordinary General Assembly, every Ordinary Member shall have one vote.
  - (c) Any Ordinary Member may vote in person or by proxy whereby, if no representative of the Ordinary Member can be present at the Extraordinary General Assembly, a proxy can be given to another Ordinary, Supply Chain Associate or Affiliate Member in writing. Such proxy is valid only for a specified Extraordinary General Assembly and for a specified topic on the agenda. An Honorary Member however may only participate at the Extraordinary General Assembly by being present and not through a proxy.

## Appendix A

- (d) An Ordinary Member may cast a vote at an Extraordinary General Assembly or by other electronic means in accordance with procedures to regulate voting by means of the internet or other electronic means (“E-Vote”) which shall be approved from time to time by the Board of Governors.
- (e) Any E-Vote cast pursuant to an approved E-Voting procedure shall be deemed to constitute a vote by an Ordinary Member at the Extraordinary General Assembly.
- (f) In addition to procedures to regulate E-Voting as approved from time to time by the Board of Governors, the following shall be applicable with regard to an E-Vote:
  - In the event that the Ordinary Member has voted by way of an E-Vote that Ordinary Member shall not then cast a vote at the Extraordinary General Assembly in respect of the proposed resolution for which the E-Vote was submitted.
  - An Ordinary Member may submit their E-Vote at any time between receipt of the convening note (pursuant to Article 9 (b)(ii)) and forty eight (48) hours before the scheduled commencement of the Extraordinary General Assembly (“E-Voting Period”). For the avoidance of doubt, any vote which is submitted after the E-Voting Period shall not be counted.
  - In the event the Extraordinary General Meeting is adjourned, any E-Vote submitted by an Ordinary Member in respect of any proposed resolution or other matter for which the E-Vote was submitted shall not be counted as a vote by the Ordinary Member at the adjourned Extraordinary General Assembly and the Ordinary Member shall be entitled to cast a fresh vote in respect of any similar resolution or matter requiring a decision at the adjourned Extraordinary General Meeting.
- (g) Except in the cases of dissolution according to Article 18, decisions are taken at the majority of the votes of the Ordinary Members present, the Chairman having a casting vote.
- (h) The Extraordinary General Assembly meeting shall be validly constituted if a minimum of eighty (80) of the Ordinary Members are present or represented.
- (i) If a quorum referred to the above paragraph is not present within one (1) hour from the time appointed for holding the meeting, the chair of the meeting shall be adjourned to another future date, not less than seven (7) days into the future; and if at such adjourned Extraordinary General Assembly the quorum is not present within one (1) hour from the time appointed for holding the adjourned meeting, the members present shall constitute the quorum.

### 11. Board of Governors

- (a) The Board of Governors shall be comprised of not less than three (3) Ordinary Members and shall not be more than sixteen (16) Ordinary Members.

- (b) The Board of Governors shall be elected by the General Assembly for a period of two (2) years. Each Ordinary Member may only elect a member within their own sector and sub-sector as specified in Article 6(e) to the Board of Governors. However, Oil Palm Growers -Small Grower members as per article 6(e)(i)(i.iv); may choose to cast their vote for a member within Oil Palm Growers Malaysia or Indonesia or Rest of the World sub-sectors provided that the member voted for must be a member within the country or region of primary operations of the Oil Palm Growers – Small Grower member. The Board of Governors members can be re-elected and the allocation of seats for the various sectors of membership is as follows:

Sector	Number of seats	Comments
Oil Palm Growers	4	- 1 Representative for Malaysia - 1 Representative for Indonesia - 1 Representative for the Smallholder Group Sector - 1 Representative for “Rest of the World”
Palm Oil Processors	2	
Consumer goods manufacturers	2	
Retailers	2	
Banks/investors	2	
Environmental NGOs	2	
Social/development NGOs	2	

- (c) The Board of Governors shall designate among its members one or more chairperson(s), one or more Vice-chairperson(s) and a Treasurer by simple election by the Board of Governors and the same shall have the following responsibilities, among others;

- (i) The Chairperson(s)

The incumbent chairs all meetings of RSPO Board of Governors and General Assembly. The incumbent ensures the execution of all orders and resolutions of the General Assembly and Board of Governors.

- (ii) The vice-Chairperson(s)

The incumbent executes the duties vested upon him by the Board of Governors and assists the Chairperson(s) of the Board at his request. In case of incapacity, refusal or resignation of the Chairperson(s) of the Board of Governors, the Vice- Chairperson(s) of the Board of Governors fulfils all his duties.

(iii) The Treasurer

The incumbent is responsible for the collection of the funds of RSPO, unless the Board of Governors decides differently. The incumbent reports to the Board of Governors those members who are late in paying their membership fee or any other due for more than sixty days.

(d) In case of vacancies, the Board of Governors shall designate interim substitutes until the next General Assembly elects definitive replacements. The powers of attorney of the substitutes shall expire concurrently to the expiration of the powers of the replaced members.

(e) The appointments, resignations and replacements by the Board of Governors shall be recorded in the minutes of the General Assembly.

(f) The Ordinary Members attending or being represented at the General Assembly shall elect and/or revoke the members of the Board of Governors.

(g) The Ordinary Members may not provide more than one member for the Board of Governors at the same time.

(h) Powers

(i) The general management of RSPO shall be the responsibility of the Board of Governors in collaboration with the Secretary General, who the Board shall appoint and determine the Secretary General's powers and remuneration.

(ii) The Board of Governors will work together with the Secretary General to discuss the activities of the association and to guard the quality and financial viability.

(iii) The Board of Governors in collaboration with the Secretary-General, shall have the power to, among others;

- Direct and control the management of RSPO;
- Execute the decisions of the General Assembly meeting and take all measures to reach the established objectives;
- Establish guidelines for the programs of Working Groups or other such committees (to be established if necessary) and to submit the same for the approval of the General Assembly meeting;
- Control RSPO expenses;
- Prepare the budgets and the annual accounts which will be submitted to the General Assembly;
- In case of urgency, take all decisions normally assigned to the General Assembly, and submit them subsequently for the ratification of the General Assembly

- (iv) The Board of Governors in collaboration with the Secretary--General may adopt all policies and procedures necessary for the management of its activities and may, within the frame of its powers, delegate part of its powers and responsibilities to either the Working Groups or other such committees.
  - (v) The Board of Governors will entrust the daily management of the RSPO to the Secretary General and the Secretariat.
  - (vi) The Board of Governors shall take all decisions normally assigned to the General Assembly, and submit them subsequently for the ratification of the General Assembly, provided always that the decision taken by the Board of Governors is reasonable and shall be for the benefits of the member of RSPO.
- (i) Meeting
- (i) The Board of Governors shall meet a minimum of four (4) times in a year with a maximum of six (6) months between the meetings.
  - (ii) The meeting shall be held upon receipt of a convening notice from the Chairperson(s) or upon request of one third of its members.
  - (iii) A quorum of more than half of the members is required for a meeting and the decisions are taken by consensus unless stated otherwise in the statutes. The Board of Governors can take decisions outside a meeting, through consultation with the Board of Governors' members.
  - (iv) Each Board member may invite one expert to discuss specific subjects during the Board meetings.
- (j) Signature & representation
- (i) All acts binding the RSPO shall be signed by the Chairperson(s) of the Board of Governors, within the limits of his powers and as per the decision of the Board of Governors. The Chairperson(s) may assign in writing the authority to sign on his behalf to any other member of the Board of Governors.
  - (ii) The association can be represented by any other person acting within the limits of a proxy by the Board of Governors, namely the Secretary General.

12. Secretary General& Secretariat Staff

(a) Composition

The RSPO Secretariat shall consist of staff ("Secretariat Staff") running operational business activities and carrying out the activities mentioned in Article 2.

- (b) Powers
- (i) Day-to-day work for RSPO is carried out by the Secretariat staff, employed by RSPO and/or under contract for RSPO. The Board of Governors appoints and sets the condition of employment for the Secretary-General. The Secretary-General is in charge of the operational management of RSPO in between meetings of the Board of Governors pursuant to the general policies fixed by the Board.
  - (ii) The management activities may be carried out partly or completely by Working Groups or other such committees. The Secretariat will collaborate closely with the Working Groups or other committees and facilitate their work.

13. Working Groups

- (a) The Board of Governors can appoint Standing Committees, Task forces or other such committees (hereinafter referred to as “Working Groups”) for carrying out activities in the field of:
  - General Best Practices
  - Communication on Sustainable Palm Oil
  - Any other specific issue dealing with Sustainable Palm Oil
- (b) The composition of the Working Groups is formed by the Ordinary Members and Affiliate Members and possibly other stakeholders to focus on specific tasks. Members may participate in different Working Groups at the same time or may not participate in any Working Group.
- (c) The members of the Working Groups will decide on the creation and working program of the Working Groups through the Secretary General:
  - (i) Either at the annual General Assembly meeting; or
  - (ii) through the RSPO Secretariat.
- (d) Each Working Group is responsible for its own expenses. The funds that are necessary for the coverage of those expenses may involve:
  - Costs of experts and stakeholders to be invited in assessment and/or research
  - Travel, subsistence and time costs of the employees of companies involved
  - Costs of the group meetings
  - Costs of large scale stakeholder involvement and communication
- (e) These costs cannot be covered by the regular member fees, but will be provided by the interested RSPO Members involved and/or by external donors. The Secretary General and/or platform Manager will propose a repartition of the costs of the Working Groups over the members involved.

- (f) Each Working Group should elect among the members a Chairperson, who shall be a representative of an ordinary member. The Chairperson elected shall be responsible towards the Board of Governors for the management of his Working Group. He chairs all meetings of that Working Group. He supervises the execution of the decisions and resolutions of the General Assembly meeting or of the Board of Governors with regard to the Working Group. The incumbent is responsible for the controlled dissemination of information produced by the Working Group in conformity with the policies of the Secretary General and/or the Board of Governors.
- (g) Each Working Group may state internal regulations. In such case, regulations should be ratified by the Secretary General. Each Working Group may appoint a secretary. Each Working Group shall submit a report on its activities and financial situation to the Board of Governors.

### 14. Annual Accounts

- (a) The fiscal year of RSPO association shall be from the first day of July until the thirtieth day of June the following year.
- (b) The annual accounts of RSPO are audited and certified at the end of each fiscal year by one or more certified accountants.
- (c) The treasurer submits to the Board of Governors the annual accounts for the past year as well as the budget for the following year. The accounts and budgets have to be approved by the General Assembly meeting.

### 15. Membership Fees

- (a) The Board of Governors determines the amount of the membership fees and all other dues of the members, as well as the method of payment and submits them to the approval of the General Assembly meeting.
- (b) All modifications to the membership fees or other dues shall be effective after a period of thirty days from the notification of such modification to the members. This notification shall be in writing.
- (c) The Board of Governors may propose to the General Assembly any changes to the maximum membership fee for one year.
- (d) The Board of Governors may propose to the General Assembly a reduced membership fee that enables appropriate organisations to become full members of the RSPO. The Board of Governors is empowered to decide which active member is eligible for a reduced fee.



16. RSPO's Finances

- (a) The finances of RSPO shall include:
  - (i) The membership fees;
  - (ii) Any donation and legacy that might fall to RSPO and any other financial resources authorized by law.
- (b) Solely the assets of RSPO may be used towards reimbursement of the debts contracted in the name of RSPO and no member, including the members of the Board of Governors, shall in any case be held liable for any such debts.

17. Members' Interest In The Assets Of RSPO

- (a) All interest of each member in the funds, investments and other assets belonging to RSPO shall immediately cease and terminate in the event that the membership of such member in RSPO shall terminate, for any reason whatsoever.
- (b) In the event of such termination, such member and the representatives of such member shall have no claim on account of the other members, or their representative, or any of them, with regard to the assets of RSPO.

18. Dissolution

- (a) The RSPO may be dissolved by the pronouncement of at least two third of the Ordinary Members present at the General Assembly or Extraordinary General Assembly.
- (b) In the event of such dissolution, one or more liquidators shall be designated by the General Assembly or Extraordinary General Assembly and the assets, if any, shall be allocated according to the rules determined by the General Assembly.
- (c) Upon dissolution of RSPO, the Board of Governors, after payment or constitution of a deposit for all indebtedness of RSPO, shall allocate the net assets to objects exclusively compatible with the object of RSPO or to one or more organizations managed in similar purposes as RSPO or shall distribute it among its members.
- (d) The courts of Zurich, Switzerland, shall have sole jurisdiction for litigation concerning assets, which would not have been allocated as provided above.

## **CODE OF CONDUCT**

### **1. Promotion and Commitment**

- 1.1 Member organisations will acknowledge their membership of the RSPO, its objectives, Statutes of the RSPO (“the Statutes”) and, the Principles and Criteria (P & C) and its respective national interpretations and implementation process through informed and explicit endorsement.
- 1.2 Members will promote and communicate this commitment throughout its own organisation and to its customers, suppliers, sub-contractors and wider value chains where necessary.
- 1.3 Membership of the RSPO must be endorsed by a senior representative of the member organisation.

### **2. Transparency, reporting and claims**

- 2.1 Members will not make any misleading or unsubstantiated claims about the production, procurement or use of sustainable palm oil.
- 2.2 Members are required to report annually on progress against this Code.
- 2.3 Members will commit to open and transparent engagement with interested parties, and actively seek resolution of conflict.

### **3. Implementation**

- 3.1 Members to whom the P&C apply will work towards implementation and certification of the P&C.
- 3.2 Members to whom the P&C do not apply directly will implement parallel standards relevant to their own organisation, which cannot be lower than those set out in the P&C.

- 3.3 Members are responsible for ensuring that their commitment to the objectives of the RSPO is underpinned by adequate resources within its organisation.
- 3.4 Relevant personnel within member organisations will be provided appropriate information that will enable them to work towards the objectives of the RSPO in their work.
- 3.5 Members to whom the P&C do not directly apply will actively seek to promote sustainable palm oil and will give support to those members engaged in implementing the RSPO P&C.
- 3.6 In the required annual communication on progress (see 2.2), existing RSPO members are required to specify steps taken last year, specific steps intended for the coming year and for the long term in the form of a time-bound plan of working towards producing or buying certified sustainable palm oil, applying any or a combination of the RSPO approved supply chain mechanism and relevant to the scope of the member's operations (e.g. specifying volume or percentage targets, or a commitment to above-average proportions of trade or investment volumes in comparison to production or demand trends).
- 3.7 New members are required at the latest in their first annual progress report to specify a time-bound plan of working towards producing or buying certified sustainable palm oil, relevant to the scope of the member's operations.
- 3.8 Subsequently, members need to report progress against the time-bound plan annually as part of the mandatory progress report.
- 3.9 Names of members who meet these requirements will be contained in the annual RSPO publication collating or summarizing progress reports. Members who fail to meet these requirements will be listed as such in the same publication.

### 4. Pricing and incentives

- 4.1 Members procuring palm oil will integrate implementation and independent verification of the P&C as a positive performance measure when assessing supplier performance.
- 4.2 Members will adhere strictly to the RSPO anti-trust guidelines, and refrain from any behaviour which can be construed as anti-competitive practice.

### 5. Breaches of this Code

- 5.1 Members will seek to resolve grievances directly with other member organisations in a timely fashion, and will not make unsubstantiated allegations of breaches against other members.
- 5.2 Breaches of this Code or Statutes may lead to exclusion from the organisation.
- 5.3 Prior to taking public action in cases of unresolved allegations of breaches of this Code or the Statutes members shall report the alleged breaches to the Board of Governors, which will deal with the alleged breaches in accordance with the RSPO Grievance Procedure.
- 5.4 The Board of Governors may on its own initiative, conduct an inquiry against any member whom, in its sole and absolute view may have breached this Code or the Statutes or in circumstances that the Board of Governors may think fit to terminate the membership. Members who are found, after due inquiry, to have breached the Code or the Statutes by the Board of Governors, will be terminated at the sole discretion of the Board of Governors without further reference to the RSPO Member. .
- 5.5 Notwithstanding the generality of Clause 5.4 above, the Secretary General may terminate or suspend the membership of an RSPO Member for breaches of any rule or code which applies to an RSPO Member under this Statutes or the Code of Conduct including for the non-payment of the requisite membership fee, provided always that any such termination or suspension shall be in accordance with procedures to be determined and approved by the Board of Governors from time to time. Members who are found, after due inquiry, to have breached this Code or the Statutes by the Secretary General, will be terminated or suspended at the sole discretion of the Secretary General, without further reference to the RSPO Member

## **Appendix B**

or the Board of Governors. The Board of Governors will be informed after a termination of suspension of membership has been carried out by the Secretary General.