

The Statutes of The Roundtable On Sustainable Palm Oil

Endorsed by the RSPO General Assembly GA17, on 25th November 2020

RSPO Statutes 2020

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.
- (c) RSPO does not pursue activities for the purpose of making profit or for the interests of its Board of Governors or Members.

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 Article 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.

(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), 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 Chief Executive Officer and the Chief Executive Officer shall consider the application request.
- (b) The Chief Executive Officer may reject any application request without having to inform the interested party of the reasons motivating such decision.
- (c) The Chief Executive Officer 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 Chief Executive Officer.
- (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 issuing a resignation letter to the Chief Executive Officer with a minimum notice period of one (1) month; 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 Article 8 (c) and Article 8 (d):
 - (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, subject to any complaints procedures.

The Board of Governors shall notify the RSPO Member of such events pursuant to Article 8 (b) (i) through (iii), 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 Article 8 (b) and subject to Article 8 (d), the Chief Executive Officer 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 Chief Executive Officer shall notify the RSPO Member of its concerns in which the said RSPO Member shall then explain to the Chief Executive Officer of reasons why the membership should not be terminated or suspended. The Chief Executive Officer may proceed to terminate or suspend the membership of such RSPO Member if the explanation is not satisfactory in the sole discretion of the Chief Executive Officer, without further reference to the RSPO Member of the Board of Governors. The Board of Governors will be informed after a termination of suspension of membership has been carried out by the Chief Executive Officer.
- (d) Notwithstanding Article 8 (b) and (c), the Complaints and Appeals Panels, may suspend or terminate the membership of an RSPO Member for any breaches in accordance to its procedures, as endorsed by the Board of Governors. The Complaints and Appeals Panels shall at its sole discretion notify the RSPO Member of the resolution to suspend or terminate the membership, without further reference to the Board of Governors.
- (e) An Honorary Member may cease to assume one's membership by issuing a written notification to the Chief Executive Officer 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.
- (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 ("E-Voting Procedure").

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 pursuant to Article 9 (c) (iii).

(c) Quorum and Votes

- (i) The Board of Governors shall convene a General Assembly of the RSPO annually. The Board of Governors may provide that Ordinary Members who are not present at the venue of the General Assembly may exercise their rights by electronic means in accordance with the E-Voting Procedure.

A General Assembly can be held exclusively by electronic means without a venue.

The Board of Governors shall ensure in the E-Voting Procedure that

1. the identity of the participants is verified;
2. the discussion and opinions expressed in the General Assembly are directly transmitted;
3. every participant can make proposals and take part in the discussion;
4. the voting result cannot be distorted.

If technical problems occur during the General Assembly, so that the General Assembly cannot be held properly, it must be adjourned. Resolutions taken by the

General Assembly before the technical problems occurred remain valid. Relevant technical problems that occur during the General Assembly shall be recorded in the minutes.

- (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 or, if the General Assembly is held exclusively by electronic means without a venue, the participation of eighty (80) of the Ordinary Members is established in accordance with the E-Voting Procedure 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 chairperson of the meeting shall adjourn 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. Ordinary Members having left the General Assembly meeting after verification of the quorum and Ordinary Members abstaining from voting on a specific item (including invalid votes) shall not be disregarded for purposes of the voting calculation.
- (iv) The agenda items shall be discussed in the plenum of the General Assembly.
- (v) During the General Assembly every Ordinary Member shall have one vote.
- (vi) All resolutions of the General Assembly shall be made by vote and the voting power of the Ordinary Members present in each membership sector is determined to have together as many votes as there are seats on the Board of Governors according to Article 11(b) with the following voting weight:

Membership Sector	Voting Weight %
Oil Palm Growers	25.0%
Palm Oil Processors and/or Traders	12.5%
Consumer Goods Manufacturers	12.5%
Retailers	12.5%
Banks and Investors	12.5%
Environmental/Nature Conservation Organisations (Non Governmental Organisations)	12.5%
Social/Development Organisations (Non Governmental Organisations)	12.5%

- (vii) Any E-Vote cast pursuant to the E-Voting Procedure shall be deemed to constitute a vote by an Ordinary Member at the General Assembly.
- (viii) In addition to the E-Voting Procedure, 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 resolution at the adjourned Ordinary General Meeting.
- (ix) Except in the cases of dissolution according to Article 19 below and as stated otherwise, in order for a resolution to be passed by vote the approval by simple majority of the voting power of the Ordinary Members as calculated in accordance with Article 9 (c) (vi) is required. The Chairperson of the meeting having a casting vote, must cast the vote in the event of a tie after the count of the votes and an abstention is not admissible. In case the vote of the Chairperson is invalid, including but not limited to void and empty votes, the Chairperson must re-cast the vote until validity.
- (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 Chief Executive Officer 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;
 - Take into consideration and decide on proposals of the Ordinary Members which in order to be tabled require proponents who come from at least 3 (three) of the 7 (seven) membership sectors as described in Article 11 (b) in accordance with procedures as endorsed by the Board of Governors from time to time;
 - 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.

- (d) An Ordinary Member may cast a vote at an Extraordinary General Assembly or by other electronic means in accordance with the E-Voting Procedure.
- (e) Any E-Vote cast pursuant to the E-Voting Procedure shall be deemed to constitute a vote by an Ordinary Member at the Extraordinary General Assembly.
- (f) In addition to the E-Voting Procedure, 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 resolution at the adjourned Extraordinary General Meeting.
- (g) Except in the cases of dissolution according to Article 19, resolutions are taken at the majority of the votes of the Ordinary Members present. The Chairperson of the meeting having a casting vote, must cast the vote in the event of a tie after the count of the votes and an abstention is not admissible. In case the vote of the Chairperson is invalid, including but not limited to void and empty votes, the Chairperson must re-cast the vote until validity.
- (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. The members of the Board of Governors are in a honorary capacity and are as a matter of principle only entitled to a

remuneration equalling the effective expenses and out-of-pocket expenses. It is admissible to pay a reasonable remuneration for special performances of individual members of the Board of Governors.

- (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 membership 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.v) 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 membership sectors of membership is as follows:

Membership 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 and/or Traders	2	
Consumer Goods Manufacturers	2	
Retailers	2	
Banks and Investors	2	
Environmenta/NatureConservation Organisations (Non Governmental Organisations)s	2	
Social/Development Organisations (Non Governmental Organisations)	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/her by the Board of Governors and assists the Chairperson(s) of the Board at his/her 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/her/their 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) A principal member of the Board of Governors may be replaced or substituted by a maximum of three (3) individual persons of the same membership sector or sub-sector, to be named by the Members as Alternate(s) and to be elected at the General Assembly meeting.
- (e) Members shall immediately notify in writing the Board of Governors of the termination of their relationship with its member of the Board of Governors and/or Alternate. Members of the Board of Governors and Alternates may resign to their office by written notice to the Board of Governors at any time.
- (f) Upon termination or resignation of an Alternate of a Member not having more than one Alternate, the relevant Member shall be entitled to designate in writing to the Board of Governors within thirty (30) calendar days a new Alternate and the Board of Governors shall approve such designation with effect until the next General Assembly meeting.
- (g) Upon receipt of a written notice from a Member informing of its termination of relationship with its member of the Board of Governors or Alternate or upon receipt of a written notice from any member of the Board of Governors or from any Alternate informing of their resignation the office of such member of the Board of Governors or Alternate shall automatically terminate.
- (h) The termination of the office of a member of the Board of Governors shall automatically result in the Alternate becoming the principal member of the Board of Governors for such Member. Should such Member have more than one Alternate the resigning member of the Board of Governors shall be replaced by the Alternate in the order elected at the General Assembly meeting. In the event of termination of the relationship between a Member and a member of the Board of Governors with no Alternate the seat in the Board of Governors corresponding to such Member shall be deemed vacant.
- (i) If a seat in the Board of Governors is vacant, the members of the Board of Governors representing the membership sector with the vacant seat shall designate in writing an (interim) substitute until the next General Assembly meeting. Should the vacant seat result from the termination of the relationship of a Member with its member of the Board of Governors or the resignation of a member of the Board of Governor, in each case with no Alternate, the Member shall be entitled to designate in writing to the Board of Governors within thirty (30) calendar days a new member of the Board of Governors and the members of the Board of Governors of the relevant membership sector shall approve such designation with effect until the next General Assembly meeting.
- (j) The powers of the substitutes shall expire concurrently to the expiration of the powers of the replaced members or Alternates.
- (k) The appointments, resignations and replacements by the Board of Governors shall be recorded in the minutes of the General Assembly.

- (l) The Ordinary Members attending or being represented at the General Assembly shall elect and/or revoke the members of the Board of Governors.
- (m) The Ordinary Members may not provide more than one member for the Board of Governors at the same time.
- (n) Powers
- (i) The general management of RSPO shall be the responsibility of the Board of Governors in collaboration with the Chief Executive Officer, who the Board shall appoint and determine the Chief Executive Officer's powers and remuneration.
- (ii) The Board of Governors will work together with the Chief Executive Officer to discuss the activities of the association and to guard the quality and financial viability.
- (iii) The Board of Governors in collaboration with the Chief Executive Officer, shall have the power to, among others;
- Direct and control the management of RSPO;
 - Execute the resolution 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 resolutions 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 Chief Executive Officer 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 or panels.
- (v) The Board of Governors will entrust the daily management of the RSPO to the Chief Executive Officer and the Secretariat.
- (vi) The Board of Governors shall take all resolutions normally assigned to the General Assembly, and submit them subsequently for the ratification of the General Assembly, provided always that the resolution taken by the Board of Governors is reasonable and shall be for the benefits of the member of RSPO.
- (o) 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 resolutions are taken by consensus unless stated otherwise in the statutes. The Board of Governors can take resolutions 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.
- (p) Signature and 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 Chief Executive Officer.

12. Chief Executive Officer and 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 Chief Executive Officer. The Chief Executive Officer 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 Chief Executive Officer:
- (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 Chief Executive Officer 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/her Working Group. The chairperson chairs all meetings of that Working Group. The chairperson supervises the execution of the 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 Chief Executive Officer and/or the Board of Governors.
- (g) Each Working Group may state internal regulations. In such case, regulations should be ratified by the Chief Executive Officer. 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. **Complaints and Appeals Panels**

- (a) The composition, mandate and powers of the Complaints and Appeals Panels is as provided for within the complaints procedures, and subject to Article 8 (d).
- (b) The Complaints and Appeals Panels shall ensure fairness and impartiality in handling complaints, and there shall be strict separation of functions and powers of the panels from

that of the Board of Governors. It is the responsibility of the members of the Complaints and Appeals Panels to disclose any conflict of interest that would render them unsuitable to hear a complaint.

- (c) Membership to the Complaints and Appeals Panel is voluntary and shall be without expectation of remuneration.

15. **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.

16. **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.

17. **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 authorised 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.

18. **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.

19. **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) The assets remaining upon dissolution of the association must be allocated to a tax exempted institution domiciled in Switzerland with same or similar objectives. A distribution amongst the members is excluded. The allocation of assets shall be made after payment or constitution of a deposit for all indebtedness of RSPO.
- (d) The courts of Zurich, Switzerland, shall have sole jurisdiction for litigation concerning assets, which would not have been allocated as provided above.