

Resolution GA17-2b

Proposed Resolution to be adopted at the 17th General Assembly of the
Roundtable on Sustainable Palm Oil (RSPO)

25th November 2020

TITLE: RESOLUTION TO AMEND THE RSPO STATUTES TO FORMALISE THE NEW VOTING
FORMAT, VIRTUAL GENERAL ASSEMBLY AND OTHER GENERAL AMENDMENTS

Submitted By: The Board of Governors of the Roundtable on Sustainable Palm Oil (Currently represented by: Malaysian Palm Oil Association, Golden Agri-Resources Ltd.*, AgroCaribe, FELDA, AAK AB, Wilmar International Limited, Unilever, The Procter & Gamble Company, Retailers' Palm Oil Group**, AEON Co.Ltd, Coöperatieve Rabobank U.A., Standard Chartered Bank, Both ENDS, Forest Peoples Programme, World Resource Institute, WWF International)

** Represents the Indonesian Growers Caucus*

*** ALDI SOUTH Group, ASDA Stores Ltd (part of Walmart Inc.), Boots UK Limited, Coles Supermarkets Pty. Ltd., The Co-operative Group (UK), Coop Switzerland, Federation of Migros Cooperatives, Lidl Stiftung & Co.KG, Marks and Spencer plc, Royal Ahold Delhaize N.V, Sainsbury's Supermarket Ltd. Tesco PLC and Waitrose Ltd. (part of John Lewis Plc)..*

Background:

New Voting Format (Resolution GA16-6d)

At the 16th General Assembly of the RSPO on 6 November 2019, Resolution GA16-6d titled: "Balanced Representation in the RSPO General Assembly Voting Process is adopted" was adopted. The resolution called for the adoption of a new voting format and the amendments to the RSPO Statutes for the following:

- 1) Each resolution should include proponents who come from at least 3 of the 7 stakeholder sectors.
- 2) Voting Weight to follow composition of the RSPO Board of Governors (BoG)
 - Oil Palm Growers including smallholder group manager and small growers – 25%
 - Processors & Traders – 12.5%
 - Consumer Goods Manufacturers – 12.5%
 - Retailers – 12.5%
 - Banks and Investors – 12.5%
 - Social NGOs – 12.5%
 - Environmental NGOs – 12.5%
- 3) Decision Making
 - A simple majority of the vote will be required to pass a resolution.
 - Calculation to be based on all votes (including abstain and spoilt vote).

Fully Virtual Meeting of the General Assembly

In May 2020, the Secretariat conducted a legal review of RSPO Statutes (including best practices) and the Swiss Civil Code relating to the functioning of the General Assembly. It was concluded that there is no mandatory requirement for a physical GA and that a fully virtual GA (by e-voting) may be held provided that such fully virtual GA is provided for in the RSPO Statutes.

In view of the current global pandemic, in June 2020, the BoG decided that the 17th General Assembly (GA17) of the RSPO is to be held fully virtual which was subsequently announced to the RSPO members in September 2020. While it is currently permissible to hold a fully virtual GA based on the Swiss Federal Council's Ordinance 3 on Measures to Combat the Coronavirus (COVID-19) of 19 June 2020 (having effect until 31 December 2020), it was advised that amendments to the RSPO Statutes is necessary as there is currently no provision that explicitly stipulates the holding of a fully virtual GA and the manner in which one should be convened.

General amendment to the RSPO Statutes to use gender-neutral language

It is important that the RSPO is aware to not intentionally or unintentionally distinguish roles in the organisation according to gender. The RSPO shall strive to be inclusive and avoid discrimination by using gender-neutral language in its policies, documents and practices. In the spirit of continuous improvement the RSPO Statutes shall be reviewed and updated accordingly.

THIS RESOLUTION PROPOSES:

That the Statutes of the RSPO be amended:

- (i) to allow for a General Assembly to be held exclusively by electronic means without a venue;**
- (ii) to formalise the new voting format in accordance with the adopted Resolution GA16-6d;**
- (ii) to use gender-neutral language throughout the RSPO Statutes.**

The amendments to articles of the RSPO Statutes are described below (changes are marked in bold italic):

Amendments to the RSPO Statutes to allow for virtual meeting of the General Assembly

9. Ordinary General Assembly

(a) Composition

- (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"***).

(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

- *the identity of the participants is verified;*
- *the discussion and opinions expressed in the General Assembly are directly transmitted;*
- *every participant can make proposals and take part in the discussion;*
- *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. Decisions 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.
- (iv) ***The agenda items shall be discussed in the plenum of the General Assembly.***

Amendments to the RSPO Statutes to formalise the new voting format (Resolution GA16-6d)

9. Ordinary General Assembly

(c) Quorum and Votes

- (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. ***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.***
- (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:***

<i>Membership Sector</i>	<i>Voting Weight %</i>
<i>Oil Palm Growers</i>	<i>25.0%</i>
<i>Palm Oil Processors and/or Traders</i>	<i>12.5%</i>
<i>Consumer Goods Manufacturers</i>	<i>12.5%</i>

Membership Sector	Voting Weight %
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%

- (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.
- (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:
- [Bullet point below inserted]*
- ***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;***

General amendments to the RSPO Statutes

11. Board of Governors

- (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:
- (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** duties.
- (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/**her** powers and as per the **resolution** of the Board of Governors. The Chairperson(s) may assign in writing the authority to sign on his/**her** behalf to any other member of the Board of Governors.

13. Working Groups

- (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.

Contact Information:

RSPO Secretariat: Beverley Postma, beverley.postma@rspo.org
Patrick Chia, patrick.chia@rspo.org