

RESOLUTION 6g

Proposed Resolution to be adopted
At the 8th General Assembly of the
Roundtable on Sustainable Palm Oil (RSPO)
8th March 2012

TITLE:

DIRECT VOTING FOR THE PRESIDENT OF RSPO BY THE MEMBERSHIP & LIMITATION TO MAXIMUM OF TWO TERMS OF PRESIDENCY

SUBMITTED BY:

The Malaysian Palm Oil Association (MPOA)

Reason for This Resolution:

1. The RSPO BY-Laws and Statutes give the President the power to:
 - a. Chair meetings whose outcomes are binding to the entire membership¹;
 - b. Sign all acts on behalf of and binding upon the entire membership²;
 - c. Convene meetings of the Executive Board at discretion³, the deliberations of which may have significant impact on the entire membership; and
 - d. Have the casting vote⁴ at both GAs and EGMs, the outcomes of which are binding on the entire membership.
2. These are extensive powers, and in exercising them the President has significant impact on the RSPO and binds its entire membership. It is therefore only logical that the President should be both appointed by the entire membership and be fully accountable to the entire membership.
3. The current practice of allowing the EB to appoint the President is based on the notion that the EB is a fair representation of the entire membership. However, GA7 (Nov 2010) adopted a resolution⁵ to review the existing structure of the EB because it is imbalanced.

¹ Article 6.1.1 Composition (of the Executive Committee), Paragraph 4: "The President of the Executive Board is elected among the Executive Board members. The incumbent chairs all meetings of RSPO Executive Board and General Assembly. The incumbent ensures the execution of all orders and all resolutions of the General Assembly and Executive Board."

² Art. 6.1.4. Signature and representation: "All acts binding the association shall be signed by the President of the Executive Board."

³ Article 10 - Meeting of the EB: "The EB shall meet at least once every six months upon receipt of a convening notice from the President or upon request of one third of its members."

⁴ Article 11 - AGM & Article 12 – EGM: "The President shall have the casting vote."

⁵ Resolution passed at GA7 reads: "It is now resolved that a working group be established to review the existing structure of the RSPO EB to reflect a better balance between the various stakeholders taking into consideration the involvement of expertise from the growers to be considered as an alternate member in the economics, environmental and social interest".

4. Based on this, the current constitutional provision⁶ that the EB choose the President certainly cannot deliver a President which is properly authorised by, or accountable to, the entire membership - because GA7 confirmed that the current EB itself is imbalanced and does not properly reflect the views of the entire membership. An imbalanced EB cannot deliver a balanced President.
5. Additionally, to ensure that the RSPO periodically benefits from new thinking and leadership, and that the President is always driven by a sense of urgency to deliver results during his/her elected term, it is proposed that the presidency should be limited to a maximum of two consecutive terms by any individual and/or constituency.

MPOA proposes that the General Assembly of the RSPO, on 8th March 2012, resolves:

- To amend all relevant articles in the RSPO By-Laws and Statues to **require that the President of the RSPO is elected directly** by the General Assembly from among those individuals already nominated by each membership category to represent them and have been elected to the Executive Board.
- To amend all relevant articles of the By-Laws and Statues with reference to the term of the President to now **stipulate a limitation of two consecutive terms** for the presidency; or to add articles as necessary to the By-Laws and Statutes to ensure that this limitation is explicit and clear.
- To note that these resolutions shall **come into effect immediately**.

Note:

1. Should this resolution pass, this GA8 will be the first GA with the mandate to directly elect a President. It is proposed that, in this first instance only, the vote for President will be held by way of an EGM within 3 months of this GA. This is to allow for:
 - a. All statutory provisions pertaining to the execution of this resolution to be attended to.
 - b. All proxy-voters to participate in the vote for President. In this first instance it is not known in advance exactly who will be elected to the EB as some member categories have more than one party contesting for the EB seat.
 - c. By the time of an EGM in three months all EB members will be clear, all statutory provisions will be in place, and an election process can be equitably carried-out.
2. However, in future (i.e. GA9 and onward), all candidates offering themselves for nomination to the EB will also be required to state whether they wish to stand for President if elected to the EB. In this way, proxy-voters can cast a vote for a preferred candidate as President at the time of nominations for the EB in advance of the GA.

- end -

⁶ Article 6.1.1 Composition (of the Executive Committee), Paragraph 4 which states that: "The Executive Board elects a President, a vice-President(s) and a Treasurer"