

ToR ASC Governance Subgroup

1. Background

This Terms of Reference (ToR) is written for the Governance Subgroup under the Assurance Standing Committee (ASC). The RSPO ASC Governance Subgroup is designed to encourage members to participate and come forward with issues and challenges faced by the RSPO members in relation to compliance and work towards developing solutions. It is essential that all members in this subgroup provide input for the decision-making process.

2. Objectives

The objectives of the ASC Governance Subgroup are to govern the compliance quality with adequate monitoring of the implementation of all requirements in RSPO certification systems to ensure it is used in a credible manner while maintaining the learning and evaluation for continuous improvement via this Terms of Reference (ToR) and work programmes of the ASC.

3. Mandates

The mandates of the ASC Governance Subgroup are as follows:

- To ensure an adequate monitoring of the implementation of all requirements in RSPO key documents and credibility of the assurance system
- To define roles and decision-making process through RSPO governance bodies on interpretations of the RSPO Standards and key requirements
- To oversee and provide necessary recommendations on learning (including capacity building) and evaluation

The ASC Governance Subgroup can undertake specific assignments within its areas of responsibility or may take responsibility that is assigned to them for selected Subgroups created by a BoG decision or a General Assembly decision or resolution.

Unless otherwise specified, the mandate of all Working Groups including this subgroup shall be up to two (02) years, at which time it shall be reviewed by the ASC.

The ASC can recommend the appointment of the Chair or Co-Chairs of the ASC Governance Subgroup, and instruct the ASC Governance Subgroup on its reporting requirements (including frequency and content).

4. Composition

Appointments to the working group are for terms of two (02) years but members may seek renomination for subsequent terms without limit.

The ASC Governance Subgroup starts with a call for members on the RSPO website or targeted individuals based on this ToR. Then, the members of the ASC Governance Subgroup shall appoint a Chair or Co-Chairs with the consensus of its members. The ASC Governance Subgroup defines the work plan in detail and includes the reporting frequency to the ASC.

The individual representative from a ASC Governance Subgroup member institution can appoint an Alternate from the same institution to attend a Subgroup meeting. Alternates can only attend meetings if the Substantive is not present.

The Governance Subgroup members shall try to attend all meetings in person and work with their alternate member as soon as they know they cannot attend a meeting, to ensure that their seat is represented. In either case, the Governance Subgroup members should send their apologies to the Subgroup Co-Chairs and advise if their alternate member will attend.

This information shall also be provided to the Secretariat Lead.

The Subgroup may invite technical experts to participate in discussions requiring expertise in relevant areas/issues. Other invited experts may be appointed at the discretion of the Subgroup.

The ASC Governance Subgroup is a subgroup of the Assurance Standing Committee (ASC). The ASC, at its sole discretion, may propose changes to the composition of the ASC Governance Subgroup to serve RSPO and its objectives.

To ensure effective discussions and decision-making, the structure of the ASC Governance Subgroup is as follows:

Table 1 - Composition of the ASC Governance Subgroup

Sector	Division	Total
Grower	Malaysia	1
	Indonesia	1
	RoW	1
	Smallholder	1
NGO	Environmental	1 - 2
	Social	1 - 2
Supply Chain	Processor & Trader	2
	Consumer Goods Manufacturer	2
	Retailer	2
	Financial Institution	1 - 2
	TOTAL	13 - 16

The formation of the ASC Governance Subgroup **will strive** for a balanced representation of all membership categories to participate in this Subgroup but may propose changes to the composition of the Subgroup for it to better serve the objectives of this ToR.

The ASC Governance Subgroup members may be members of organisations with experience and empowered by the membership sectors to act on their behalf and are expected to regularly inform their constituents.

The ASC Governance Subgroup members must commit to attending physical meetings and conference calls. The calls may be held outside regular office hours to accommodate the different time zones present in the Subgroup.

The ASC Governance Subgroup members will be responsible for coordinating and updating directly with their alternates.

5. Meeting

In order to meet the objectives of the ASC Governance Subgroup, it is necessary to establish an annual work development programme, which includes objectives, activities, timelines, budgets, and deliverables.

The ASC Governance Subgroup will in principle have quarterly (physical or virtual) meetings every year.

The ASC Governance Subgroup will provide regular updates to the ASC and will use the RSPO website to communicate on progress.

Meeting Documentation

No.	Document Description	Recommended Timeline
1	Draft minutes of meetings to be shared internally	Not more than one month after meeting
2	Minutes of the meeting to be shared publicly	Not more than two months after meeting
3	Governance Subgroup Meeting Pack	One week before the meeting

Members of the ASC Governance Subgroup shall also respect the “Chatham House Rule” in their reporting of the Subgroup discussions. This means that while remarks made during meetings may be repeated, they should not be attributed to an individual Governance Subgroup member, except where an attributed comment has been included in the approved minutes of that meeting.

The RSPO refers to RSPO Antitrust Guidelines for the conduct of its meetings and conference calls. There should not be any discussion of specific selling or buying of materials, pricing or any joint venture, future or collusive actions, such as excluding or choosing a supplier or geographies. All commentary is limited to current or historical activity. Any decision reached from meetings’ materials or discussed in meetings is an individual decision based on the participants’ own investigation and judgement.

6. Roles of the Secretariat

The RSPO Secretariat will provide the financial, human, and logistical support that the ASC Governance Subgroup requires to meet, conduct business, and

achieve its objectives where necessary, based on an approved budget by the finance committee. The Assurance Division of the RSPO Secretariat will be the primary source of assistance and support to the ASC Governance Subgroup.

The RSPO Secretariat will coordinate and facilitate the operations of the Governance Subgroup as well as take the lead in implementing the desired activities and deliverables of the ASC, which may include identifying appropriate facilitators, project management, research, and identifying resources, as well as appointing consultants to undertake mandated tasks.

The governance of the ASC Governance Subgroup is the responsibility of the Assurance Standing Committee (ASC). Any changes to these Terms of Reference shall be approved by the ASC.

7. Retirement Criteria/Reselection of Inactive Members

The ASC Governance Subgroup can exercise the right to retire the Subgroup membership of a member. However, the decision must be made by consensus of the ASC Governance Subgroup (excluding the affected party). Affected parties should be given the right to be heard prior to a decision being made.

The reasons for the ASC Governance Subgroup to consider the retirement of a member are:

- If the members are not adhering to the provisions of the RSPO Code of Conduct and Antitrust Guidelines for RSPO Members as well as to the terms of this TOR
- Voluntary retirement
- Absence from three (3) consecutive meetings without justified reason (including Alternate members)

Retirement of membership will be informed in writing to the Governance Subgroup Co-Chairs, copied to the RSPO Secretariat Lead.

The ASC Governance Subgroup Co-Chairs will invite the constituents of the affected sectoral and/or geographical stakeholder group to nominate a new representative to the ASC Governance Subgroup.

8. Management

All members of the ASC Governance Subgroup are bound by the Antitrust Guidelines for RSPO Members.

Each member must declare any pre-existing, perceived, and/or potential conflict of interest on any matters on the agenda and/or matters arising at the beginning or during the course of the meeting. Should there be a conflict of interest, the member concerned must recuse himself/herself from all decision-making processes or sensitive discussions pertaining to the subject matter of which there is such conflict of interest.

Members and invited experts who have been privy to the discussions shall not use their position on the ASC Governance Subgroup and/or information obtained from the Subgroup discussions to obtain monetary gain or bid for any projects commissioned by the ASC Governance Subgroup directly or indirectly through the organisation with whom they are associated. Members and/or invited experts who observe and/or part of the discussions on developing project ToRs will not be allowed to tender and/or participate in the tender evaluation/selection processes, even after they have left the ASC Governance Subgroup.

Members shall ensure the accuracy of the information and that the interpretation of all outcomes and decisions of the Subgroup are consistent with the consensus reached within the ASC Governance Subgroup.

Members shall strive to reach a consensus in decision making. However, in the event a consensus is not possible for any specific issue, at least 75% of the Committee members are required to vote in favour for the adoption of a decision, and shall include at least one supporting vote from each membership category.

If a decision cannot be reached through the above means, the Chair (or Co-Chairs) of the ASC Governance Subgroup may refer to the Co-Chairs of the Assurance Standing Committee (ASC) for a final decision.

Transparency is very important to RSPO. All discussions and documents are only classified as confidential in exceptional circumstances. However, where information has been designated as confidential because of its sensitivity (for example concerning violations or alleged violations of RSPO Principles & Criteria) the Subgroup members should respect the confidentiality issues and shall prevent the same from becoming public.

Breaches of the above may lead to exclusion from the Subgroup. Prior to taking public action in cases of unresolved allegations of breaches of the above, members shall report such alleged breaches to the Co-Chairs of the Subgroup and the Member Category Representative on the RSPO Board of Governance, which will deal with the alleged breaches in accordance with the RSPO Statutes and Code of Conduct.