



ROUND TABLE ON RESPONSIBLE SOY ASSOCIATION (RTRS)
UTOQUAI 29/31 | 8008 ZURICH, SWITZERLAND

ROUND TABLE ON RESPONSIBLE SOY ASSOCIATION (RTRS)

Minutes No. 144 of the Executive Board Meeting held on

Monday, August 14, 2017, 14:00 CEST via telephone conference (in accordance with article 21, section [1] of the RTRS Statutes.

Agenda:

1. Approval of the Minutes No. 141 and 143 of the Executive Board (Physical Meetings).
2. Approval of the Minutes No. 142 of the 11th General Assembly.
3. Approval of the appointment of Lieven Callewaert as interim Principal RTRS Executive Board member, and Jorn Jasper Schouten, Jean-Clement Leyat, Bram Niels Bastiannsen and Jaap Janssen as Alternates, representing ACT COMMODITIES in the Industry, Trade and Finance constituency until the next General Assembly to fill the vacant position resulting from Unilever's and Leslie Leinders resignation to the Executive Board.
4. Wrap up Working Group (WG) Argentina: goals and priorities and approval of the Executive Board WG methodology and the composition of the groups.
5. Approval of the Regional Credits and Regional Mass Balance - ideation phase project.
6. Approval of the Non-GM Module.
7. Approval of the Budget corresponding to year 2017.
8. Approval of the RT13: venue and date proposal, and first draft of objectives.
9. Approval of the National Interpretations: Brazil and Paraguay.
10. Credit Validity Proposal.
11. Any Other Business and Closing.

Introduction

The meeting of the Executive Board of Directors of the Round Table on Responsible Soy Association (RTRS) starts at 14:00 CEST time.

Participants: RTRS Executive Board members:

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- Jochem Bouwmeester, Rabobank (constituency: Industry, Trade and Finance):
jochem.bouwmeester@rabobank.com
- Christophe Callu Mérite, FEED ALLIANCE (constituency: Industry, Trade and Finance): christophe.callumerite@feed-alliance.fr
- Belinda Katharine Howell, RSG (constituency: Industry, Trade and Finance):
belinda.howell@rpog.org
- Edegar de Oliveira Rosa, WWF (constituency: Civil Society Organizations):
Alternate for Jean François Timmers: jeantimmers@wwf.org.br
- Ulises Javier Martínez Ortiz, Fundación Vida Silvestre (constituency: Civil Society Organizations): ulises.martinez@vidasilvestre.org.ar
- Oswaldo de Carvalho Junior, Earth Innovation Institute (constituency: Civil Society Organizations): ocarvalho@earthinnovation.org
- Pramel Kumar Gupta, VRUTTI (constituency: Civil Society Organizations):
pramel@vrutti.org
- Juliana De Lavor Lopes, AMAGGI (constituency: Producers):
juliana.lopes@amaggi.com.br
- Gisela Introvini, FAPCEN (constituency: Producers): giselaintrovini@hotmail.com
- Marina Born, CALDENES (constituency: Producers):
marina.engels@responsiblesoy.org
- Darci Getulio Ferrarin Junior, ASSOCIAÇÃO AMIGOS DA TERRA (constituency: Producers): ferrarinjr@hotmail.com
- Alejandro José O'Donnell, AAPRESID (constituency: Producers):
alejandro@fronterasl.com.ar

RTRS Secretariat:

- Marcelo Visconti, RTRS Executive Secretary: marcelo.visconti@responsiblesoy.org
- Jimena Frojan, RTRS Secretariat: jimena.frojan@responsiblesoy.org
- Laura Villegas, RTRS Secretariat: laura.villegas@responsiblesoy.org
- Daniel Kazimierski, RTRS Secretariat: daniel.kazimierski@responsiblesoy.org
- Fernando Olivieri, RTRS Secretariat: fernando.olivieri@responsiblesoy.org

Special guests invited:

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- Cid Sanches, RTRS External Consultant Brazil: cid_sanches@yahoo.com.br
- Enrique Molas, RTRS External Consultant Paraguay: enrique.molas@responsiblesoy.org

Marina Born, President of the RTRS Executive Board, chairs the meeting and welcomes the participants to the Executive Board meeting. The agenda is presented and participants are asked whether any additional topics should be included. No other topics are included. The meeting begins.

A. Quorum and Proposals

The Executive Secretary ascertains that the quorum required to validly pass resolutions has been reached. The Executive Board considers the following items on the agenda:

1. *Approval of the Minutes No. 141 and 143 of the Executive Board (Physical Meetings).*

Minutes No. 141 are reviewed page by page.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“The Executive Board meeting minutes No. 141 of the RTRS Executive Board are approved (by consensus).”

Minutes No. 143 are reviewed page by page.

Ulises Javier Martinez discusses with the members of the Executive Board the reasons why he abstains to vote regarding the approval of the minutes.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“The Executive Board meeting minutes No. 143 of the RTRS Executive Board are approved (by consensus).”

2. *Approval of the Minutes No. 142 of the 11th General Assembly.*

Minutes No. 142 are reviewed page by page.

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As Ulises Javier Martinez and Belinda Howell have suggested certain changes to the minutes, Marina Born confirms that the approval of Minutes No. 142 is deferred to the next Executive Board meeting.

3. *Approval of the appointment of Lieven Callewaert as interim Principal RTRS Executive Board member, and Jorn Jasper Schouten, Jean-Clement Leyat, Bram Niels Bastiannsen and Jaap Janssen as Alternates, representing ACT COMMODITIES in the Industry, Trade and Finance constituency until the next General Assembly to fill the vacant position resulting from Unilever's and Leslie Leinders resignation to the Executive Board.*

Christophe Callu Merite explains that the four current members of the Industry, Trade and Finance constituency held a conference call and agreed by consensus to approve the appointment of Lieven Callewaert as interim Principal RTRS Executive Board member, and Jorn Jasper Schouten, Jean-Clement Leyat, Bram Niels Bastiannsen and Jaap Janssen as Alternates, representing ACT COMMODITIES in the Industry, Trade and Finance constituency until the next General Assembly to fill the vacant position resulting from Unilever's and Leslie Leinders resignation to the Executive Board.

Belinda Howell also mentions that the Industry, Trade and Finance members agreed that if any situation of potential conflict of interest may arise in the future (involving e.g. Chainpoint or Soy4Brands project), Lieven Callewaert will need to step out of the conversation.

In the absence of any objections, Marina Born confirms that the resolution is approved by the members of the Industry, Trade and Finance constituency.

The RTRS Executive Board resolves the following:

"The appointment of Lieven Callewaert as interim Principal RTRS Executive Board member, and Jorn Jasper Schouten, Jean-Clement Leyat, Bram Niels Bastiannsen and Jaap Janssen as Alternates, representing ACT COMMODITIES in the Industry, Trade and Finance constituency until the next General Assembly to fill the vacant position resulting from Unilever's and Leslie Leinders resignation to the Executive Board is approved (by consensus of the members of the Industry, Trade and Finance constituency)."

4. *Wrap up Working Group (WG) Argentina: Goals and Priorities and approval of the Executive Board WG methodology and composition of the groups.*

Jochem Bouwmeester asks to prioritize WG projects. In this direction, he suggests defining the RTRS Trading Platform Assessment as a priority.

Regarding the RTRS Trading Platform Assessment, Juliana de Lavor Lopes asks to include a producer in the WG, she candidates herself as participant representing the Producers constituency.

Juliana de Lavor Lopes also suggests including traders in the Assessment but not only Amaggi.

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Belinda Howell asks to merge the following WG: a) RTRS Trading Platform Assessment and upgrade/improvement, and b) RTRS Product: Regional Credits and Mass Balance, Non GM Credits, Non Paraquat. Belinda Howell also suggests creating a Marketing and Communication WG.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

"To approve: (i) the creation of Working Groups within the Executive Board and the election of their members as proposed in Annex 5 of the meeting convening notice, (ii) the merger into only one WG of the groups named "RTRS Trading Platform Assessment and upgrade/improvement" and "RTRS Product: Regional Credits and Mass Balance, Non GM Credits, Non Paraquat" in Annex 5 of the meeting convening notice, and (iii) the creation of the Marketing and Communication WG (by consensus)."

5. *Approval of the Regional Credits and Regional Mass Balance - ideation phase project.*

Cid Sanches and Laura Villegas present the Mass Balance project, they explain that the "Regional Mass Balance project" includes both the National Level and the Regional Level.

Juliana de Lavor Lopes suggests that in addition to Amaggi, other trading companies shall be invited to participate in order to receive more feedback during the final definition of the project.

Ulises Martinez asks about the relevance of the National Mass Balance level. Marcelo Visconti answers that the wider the scope is, the higher the flexibility to trade Mass Balance will be in terms of fostering the Mass Balance model.

Juliana de Lavor Lopes suggests changing the flow in which the different levels (National Level and Regional Level) are shown in the communication materials, starting from National Mass Balance and then Regional Mass Balance in order to follow the traceability criteria. She also states that the Regional Level should be the last level in terms of traceability because buying regionally means the possibility of tracing the region where the soy was produced. On the other side, she comments that when buying nationally, a company purchases soy from different regions of the same country.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

"To approve "Regional Credits and Regional Mass Balance - ideation phase project" (by consensus)."

6. *Approval of the Non-GM Module.*

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Daniel Kazimierski presents the module with the requirements for producers willing to trade Non-GM certified material through credits.

Pramel Kumar Gupta asks how it will work in India.

Daniel Kazimierski replies that the process for certifying Non-GM does not vary depending on the countries where the audit is conducted.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

~~"To approve the "Non GM-Module" and to mandate the RTRS Secretariat to start working on the market and claim strategy (by consensus)."~~

7. *Approval of the budget corresponding to year 2017.*

Marcelo Visconti presents the budget corresponding to the year 2017, which includes all the topics referred in Annex 8 attached to the convening notice.

Jochem Bouwmeester asks Marcelo Visconti to include a comparison between the first half of year 2017 and 2018 for the next year's budget, in order to implement this practice for the upcoming budgets.

For next year budget, to include the comparison between the current YTD (year to date) performance and the previous YTD performance, in order to implement this practice for the upcoming budget processes.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

~~"To approve the budget corresponding to the year 2017 (by consensus)."~~

8. *Approval of the RT13: Venue and date proposal, and first draft of objectives.*

Laura Villegas presents the topic and explains the rationale of the proposal with regards to RT13 decisions including the proposed venue, date and core message.

Juliana de Lavor Lopes asks the RTRS Secretariat to work on producers participating in RT13.

The RTRS Executive Board resolves the following:

"To hold the RT13 in Lille, France, during the week starting in May 28, 2018 (by consensus)."

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"To work under the concept "Commitments", as the core message to lead RT13's contents, topics and discussions (by consensus)."

"To define "Social Issues involved in RTRS Production Standard" as one of the suggested topics to be treated during and in RT13 (by consensus)."

9. *Approval of the National Interpretations: Brazil and Paraguay.*

Brazilian National Interpretation of RTRS Standard for Responsible Soy Production V3 1 ENG_PT and the Paraguayan National Interpretation of the RTRS Standard for Responsible Soy Production Version 3.1 ENG_SP are explained in detail.

Marcelo Visconti states that the Technical Unit and the Executive Board WG shall work on defining the scope of units of certification in leased farms for each country and others relevant "hot spots" points identified in order to have it ready to be presented and approved by the Executive Board by the end of the year 2017.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

"To approve Brazilian National Interpretation of RTRS Standard for Responsible Soy Production V3 1 ENG_PT and the Paraguayan National Interpretation of the RTRS Standard for Responsible Soy Production Version 3.1 ENG_SP (by consensus)."

10. *Credit Validity Proposal.*

A) Ulises Martinez presents the "No Expiration Date" proposal

Ulises Martinez proposes that the RTRS credits owned by producers shall not to have an expiration date.

Ulises Martinez suggests to change the RTRS existing documents (e.g. RTRS-ADV-001-02-CR-ESP-V2.0; Guide for RTRS material trading -page 10) that currently state:

"I) *Validity of the credits expiring before December 31, 2017, will extend their validity until December 31st, 2017*

II) *Credits issued before January 1st, 2016 will be valid for 2 years, expiring December 31st, 2017"*

Ulises Martinez also adds that, upon approval thereof, credits on the platform shall no longer have an expiration date, except for those producers that decide not to continue with certification process and/or after their certification expires, in which case their respective RTRS credits on the platform, shall have two years of validity.

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Ulises also proposes that in the event the certificate of a certain a producer is revoked due to non-compliance issues, the credits shall cease to be valid as of the date on which the certification body revokes the certification in the RTRS Platform.

Christophe Callu Mérite brings another idea to the table. He supports the extension of credits validity for purposes of avoiding market speculation around the credit price, but explains that in order to promote a balance of interests among RTRS stakeholders of different constituencies, RTRS should also work on the analysis of credit validity for the ones performing the role of buyers.

Jochem Bouwmeester and Christophe Callu Mérite ask to work further on the proposal and discuss it in the next Executive Board Meeting in October.

Ulises Martinez stresses that the information was enough and that the quorum was reached, and asks the Executive Board to vote on the resolution.

Marcelo Visconti leads the resolution making process.

As consensus could not be reached a voting is conducted at a constituency level. At this voting the simple majority is not reached in the constituency Industry, Trade and Finance. As a consequence a new voting shall be conducted in the Industry, Trade and Finance constituency to decide whether or not such constituency desires to exercise its veto power against the approval of the remaining constituencies. After the new voting, Marcelo Visconti confirms that the Industry, Trade and Finance constituency has decided to exercise its veto power (by simple majority) whereby the approval of the proposal "no expiration date" is rejected.

The RTRS Executive Board resolves the following:

"The proposal "no expiration date" for the credit validity is rejected (Industry, Trade and Finance constituency exercising its veto right)."

Christophe Callu Mérite states that although he values the proposal, he understands that the "no expiration date" for producer's credit owners could turn RTRS into an Association protecting only the Producers while RTRS is a multistakeholder organization.

Juliana de Lavor Lopes agrees with Jochem Bouwmeester and Christophe Callu Mérite and suggests considering a new option. According to this new option instead eliminating the expiration date, Juliana de Lavor Lopes proposes to establish a 5-year validity for credits owned by producers counting since the moment the certified production is included/registered in the RTRS Trading Platform.

Operationally speaking this would mean:

- I) Validity of the credits issued after December 31st 2015, will be extended for 5 years from the moment the production is included/registered in the RTRS Trading Platform
- II) Credits issued before January 1st, 2016 will be valid for 5 years, expiring December 31st, 2020

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Christophe Callu Mérite and Jochem Bouwmeester welcome and support the alternative presented by Juliana de Lavor Lopes.

Considering that this alternative proposal was not included in the agenda for this meeting, Marcelo Visconti proposes to consider the "5-year expiration date" option in the next Executive Board meeting.

11. Any Other Business and Closing.

The meeting is closed at 17:30 CEST time.

August 14, 2017.

Marina Born

President of RTRS Executive Board

Marcelo Visconti

Executive Secretary of RTRS