



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

Round table on responsible soy association (RTRS)

**Minutes No. 147 of the Executive Board Meeting held on
Thursday, February 22, 2018, 15:00 CEST via telephone conference** (in accordance with article
21, section [1] of the RTRS Statutes).

Agenda:

1. Approval of the Executive Board Meeting Minutes No. 146.
2. Outreach and Engagement Manager Europe: process update and approval of next steps.
3. Membership status 2018: membership suspension.
4. Update on VAT and income/capital tax situation and ratification of affidavit signed by Alejandro O'Donnell and Marina Born.
5. RTRS involvement – Next steps.
6. Javicho's Letter of notification: certification remains suspended.
7. Approval of the agenda of the face to face Executive Board meeting to be held in April in Argentina.
8. Credit Validity for discontinued certificate cases criteria.
9. First Draft of the RTRS Management Report.
10. RT13 Agenda: first formal version to draft and RT13 Speakers Control Sheet.
11. Review of the New Products Status.
12. Status of the Itaipú Project.
13. January KPI's.
14. Presentation related to the Governors' Climate and Forest Task Force (GCF).

Introduction

The meeting of the Executive Board of the Round Table on Responsible Soy Association (RTRS)
starts at 15:00 CEST time.

Participants: RTRS Executive Board members:

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- Belinda Katharine Howell, RSG (constituency: Industry, Trade and Finance):
belinda.howell@rpog.org
- Jochem Bouwmeester, Rabobank (constituency: Industry, Trade and Finance):
jochem.bouwmeester@rabobank.com
- Christophe Callumerite, Feed Alliance, constituency: Industry, Trade and Finance):
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- Jorn Schouten, ACT Commodities, (constituency: Industry, Trade and Finance):
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- Roel Baakman, Cefetra, (constituency: Industry, Trade and Finance): Baakman@cefetra.nl
- Jean François Timmers, WWF (constituency: Civil Society Organizations):
jeantimmers@wwf.org.br
- Oswaldo de Carvalho Junior, Earth Innovation Institute (constituency: Civil Society Organizations): ocarvalho@earthinnovation.org
- Gisela Introvini, FAPCEN (constituency: Producers): giselaintrovini@hotmail.com
- Marina Born, CALDENES (constituency: Producers): marina.engels@responsiblesoy.org

RTRS Secretariat:

- Marcelo Visconti, RTRS Executive Secretary: marcelo.visconti@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:

- Cid Sanches, RTRS External Consultant in Brazil: cid_sanches@yahoo.com.br
- Enrique Molas, RTRS External Consultant Paraguay: enrique.molas@responsiblesoy.org
- Daniel Nepstad, Earth Innovation: dneptad@earthinnovation.org
- James Allen: james@olab.com.br

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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 Executive Board Meeting Minutes No. 146.*

Minutes No. 146 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. 146 are approved (by consensus).”

2. *Outreach and Engagement Manager Europe: process update and approval of next steps.*

Marcelo Visconti shares with the Executive Board an update about the Outreach and Engagement Manager Europe status and confirms that the selected candidate declined the offer made by RTRS.

Marcelo Visconti suggests the Executive Board to hire a part-time administrative employee in Switzerland to fulfill the duties that RTRS is required to comply with in connection with the legal entity in Switzerland, and to look for an external consultant to provide support with the activities that were part of the Job Description of the Outreach and Engagement Manager Europe. Under this proposal, RTRS will have the chance to evaluate more candidates since the external consultant might perform his/her activities from any country in Europe. Marcelo Visconti invites the Executive Board members to propose candidates.

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 to start a new selection process in order to hire a part-time administrative employee in Switzerland (by consensus).”

3. *Membership status 2018: membership suspension.*

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Marcelo Visconti presents the topic and expresses that according to RTRS accounting records, 28 RTRS Participating Members have outstanding overdue fees.

Marcelo Visconti suggests the Executive Board to instruct the Secretariat to deliver a letter to those members in default of the payment of the membership fee notifying that the RTRS Executive Board resolved to suspend all rights (including the right to vote at the next General Assembly to be held on May 31, 2018) of those members which by that March 30, 2018 remain in default of their obligation to pay annual membership fees overdue for 6 months or more.

The RTRS Executive Board resolves the following:

“To approve the suspension of all rights (including the right to vote at the next General Assembly to be held on May 31, 2018) of those members which by that March 30, 2018 remain in default of their obligation to pay annual membership fees overdue for 6 months or more (by consensus).”

In addition, three special cases were presented:

1) India Case

Pramel Gupta proposed RTRS to provide the following Indian Members with a waiver for any unpaid 2015, 2016 and 2017 membership fees:

- Hardol Agriculture Marketing and Producer Company Private Limited Shivpuri.
- Khajuraho Crop Producer Company Ltd.
- Khujner Agriculture Producer Company Pvt.
- Sironj Crops Producers Company Put. Ltd.
- Samarth Kisan Producer Co. Put. Ltd.
- Bijawar Produce Company Ltd.

Jochem Bouwmeester suggests that the waiver should be subject to the payment on or before March 30, 2018 of their 2018 membership fee.

The RTRS Executive Board resolves the following:

“To approve the granting of a waiver to the following Indian Members for any unpaid 2015, 2016 and 2017 membership fees subject to the payment on or before March 30, 2018 of their 2018 membership fee (by consensus):”

- Hardol Agriculture Marketing and Producer Company Private Limited Shivpuri.
- Khajuraho Crop Producer Company Ltd.
- Khujner Agriculture Producer Company Pvt.

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- Sironj Crops Producers Company Put. Ltd.
- Samarth Kisan Producer Co. Put. Ltd.
- Bijawar Produce Company Ltd.”

2) Paraguay Case

Marcelo Visconti explains that in the past RTRS entered into an agreement with Guyra according to which Guyra was exempted from the payment of its membership fee.

The proposal is to exempt Guyra from paying 2015, 2016 and 2017 fees. Notwithstanding the foregoing, since the mentioned agreement is no longer in force and effect, in order for Guyra to continue exercising its rights as Participating Members of RTRS this year, it shall be required to pay its 2018 membership fee on or before March 30, 2018.

The RTRS Executive Board resolves the following:

“To approve exempting Guyra from paying 2015, 2016 and 2017 subject to the payment of its 2018 membership fee on or before March 30, 2018 (by consensus).”

3) Caramuru Case:

Marcelo Visconti explains that according to the communications maintained with Caramuru, although such member is willing to honor its 2018 membership fee and continue with its membership, Caramuru requested a waiver of its debt regarding the membership fees corresponding to 2016 and 2017 based on the fact that it was unable to sell its RTRS credits.

Marina Born states that being unable to sell the credits shall not be deemed as a valid reason for the granting of an exemption for the payment of the membership fee.

The RTRS Executive Board resolves the following:

“To reject the granting of the waiver requested by Caramuru (by consensus).”

4) Danone Case:

Marcelo Visconti explains that although the application process for Danone was done at the end of 2016 and that RTRS website shows Danone as Member since 2016, there is a current debate as Danone states that they actually applied for its membership at the beginning of 2017, and therefore a credit note shall be issued for an amount equivalent to the 2016 annual membership fee invoiced.

The RTRS Executive Board resolves the following:

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"To approve the issuance of a credit note in favor of Danone for an amount equivalent to the 2016 annual membership fee invoiced (by consensus)."

Marcelo Visconti informs that WWF has outstanding invoices for 2017 and 2018 and Jean F. Timmers asks for a discount arguing lack of budget for soy projects. He explains that WWF does not have budget for RTRS membership payment.

Marina Born refers to the commitment of WWF, pointing out that the membership is part of the commitment with RTRS.

Jean F. Timmers asks to wait for the feedback of WWF's office in Europe before any action is taken.

4. *Update on VAT and income/capital tax situation and ratification of affidavit signed by Alejandro O'Donnell and Marina Born.*

Marcelo Visconti provides the members of the Executive Board with an update on RTRS tax situation.

With respect to VAT, Marcelo Visconti informs that RTRS has successfully been registered for Swiss VAT as for January 1, 2017. As to the treatment of 2012 through 2016 VAT obligations, the information provided by RTRS to the authorities is being reviewed and feedback is expected within 30 days.

In addition, Marcelo Visconti explains that the procedures conducted to obtain a ratification of RTRS exemption with the Cantonal Tax Authorities have been successfully completed. On January 17, 2018, RTRS was notified of the decision made by the authorities on RTRS request to have its tax exemption renewed. After examination of all information and documentation submitted by RTRS, the authorities resolved that the tax exemption will be further granted under two conditions:

1. That RTRS shall abstain from acting as reseller on the RTRS Trading Platform.
2. That RTRS Statutes shall be amended in order to state that:
 - (i) in addition to abstaining from profit-making, RTRS shall also abstain from self-help purposes; and
 - (ii) upon dissolution of the association, the remaining assets shall be allocated to a tax-exempted institution having identical or similar objectives domiciled in Switzerland.

As a result of the above and as requested by the authorities, on February 14, 2018 RTRS filed an affidavit from the Executive Board executed by Marina Born in its capacity as president and Alejandro O'Donnell as treasurer committing to include the amendment of current Article 3(1) and Article 45(2) of RTRS Statutes in the agenda of GA 12 to be held in May 31, 2018.

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On February 15, 2018, RTRS was notified of the decree issued by the tax authorities confirming and formalizing the above-mentioned decision. The decree will be valid and binding in the absence of any appeal by the City of Zurich (for the communal and cantonal taxes) or the Cantonal Tax Authorities, Service Division Direct Federal Taxes. As no appeal is expected, the decree shall become valid and binding on March 23, 2018.

The RTRS Executive Board resolves the following:

“To ratify the affidavit executed and delivered by Alejandro O'Donnel and Marina Born (by consensus).”

“To include the amendment of current Article 3(1) and Article 45(2) of RTRS Statutes in the agenda of GA 12 to be held in May 31, 2018 (by consensus).”

5. *RTRS involvement – Next steps.*

Marina Born presents the topic and refers to the Working Group methodology the Executive Board agreed to implement for the second semester of 2017. She proposes the Executive Board to involve the new members in the current initiatives through the revision of the priorities defined in August 2017, and hence to encourage new members to (i) determine new priorities, and/or (ii) suggest modifications for the year 2018, in order to commit to a sustainable work methodology.

Marina Born states that the Executive Board needs a better progress in working within the Working Groups, in order to provide support to the Secretariat team.

Jochem Bouwmeester suggests this topic should be included in the face to face Executive Board Meeting to be held in April.

6. *Javicho Letter of notification: certification remains suspended.*

Marcelo Visconti presents the letter to be sent to Javicho informing the decision of keeping the certificate suspended. He explains that the RTRS Production Standard does not contemplate the possibility of compensation. In this sense the deforestation carried out by Javicho constitutes a major nonconformity and, therefore, the Executive Board must instruct the RTRS Secretariat to deliver the letter informing that the certification shall be suspended and its credits invalidated.

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:

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"To approve the draft of the notice to be delivered to Javicho and to instruct the RTRS Secretariat to deliver the letter informing that the certification shall be suspended and its credits invalidated (by consensus)."

7. *Approval of the agenda of the face to face Executive Board meeting to be held in April in Argentina.*

Marcelo Visconti presents the agenda for April's Executive Board face to face meeting to be held in Argentina.

The agenda contains two days of Executive Board meetings, including the participation of Argentinian producers, and a third day of field trip in Buenos Aires Province in order to get a good picture of the difficulties and challenges producers face.

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 agenda for April's Executive Board face to face meeting to be held in Argentina (by consensus)."

8. *Credit Validity for discontinued certificate cases criteria.*

Daniel Kazimierski presents the proposal on the criteria to be implemented for the Credit Validity for discontinued certificates and explains that during the Executive Board meeting held in August 2017, the Executive Board members discussed different aspects of the validity of the credits and no resolution could be adopted as the topic was not part of the Agenda.

Therefore, the Secretariat presents the following Credit Validity proposal:

- In case of voluntary cancellation of the certificate by the producer: the credits are valid for 2 years since the date on which such credits were uploaded to the RTRS Platform.
- In case of cancellation of the certificate due to unsolved "non-conformities" by the producer: the credits shall cease to be valid as of the date on which the certification body resolves to cancel the certification in the RTRS Platform.

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:

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“To approve that (i) in case of voluntary cancellation of the certificate by the producer, the credits are valid for 2 years since the date on which such credits were uploaded to the RTRS Platform, and (ii) in case of cancellation of the certificate due to unsolved "non-conformities" by the producer: the credits shall cease to be valid as of the date on which the certification body resolves to cancel the certification in the RTRS Platform (by consensus)”

9. *First Draft of the RTRS Management Report.*

Laura Villegas presents the first draft of the Management Report 2017.

The Executive Board members agree with the layout and content proposal.

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 first draft of the RTRS Management Report (by consensus).”

10. *RT13 Agenda: first formal version to draft.*

Laura Villegas presents and overview of the agenda, an update on the invitation process, confirmations and pending confirmations and requests for the support of the Executive Board during the invitation process.

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 RT13 Agenda (by consensus).”

11. *Review of the New Products Status.*

Daniel Kazimierski explains that the Secretariat is working with E4tech to have the technical documents for the new products ready for the next EB meeting. He adds that a period for consulting stakeholders will be necessary and invites any member of the Executive Board interested to be part of it. Since no questions are posed on the subject, the members of the Executive Board decide to move to the next item in the Agenda.

12. *Status of the Itaipú Project.*

Due to the lack of time, the members of the Executive Board decide to differ this item for the next Executive Board meeting.

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13. January KPI's.

Due to the lack of time, the members of the Executive Board decide to differ this item for the next Executive Board meeting.

14. Presentation related to the Governors' Climate and Forest Task Force (GCF).

Daniel Nepstad from Earth Innovation makes an update of the Governors' Climate and Forest Task Force (GCF) from a global point of view. He remarks that the focus turned broader to tropical forest regions and working on how to tackle deforestation and reach sustainable development.

Oswaldo Carvalho and Gisela Introvini share an update on the actions RTRS is taking towards this framework. Since no queries are made on the subject the members of the Executive Board decide to move to the next item in the Agenda.

15. Any other business and closing.

Marina Born asks to the participants whether they have any question regarding the items of the agenda that were presented "to inform." Since no queries are posed by the participants, the Executive Board agrees there are no further topics to be discussed.

The meeting is closed at 17:00 CEST time.

February 22, 2018.

Marina Born

President of RTRS Executive Board

Marcelo Visconti

Executive Secretariat of RTRS