

**BY-LAWS OF THE INTERNATIONAL COCOA INITIATIVE**

**I. INTRODUCTION**

**Article 1 Scope and purpose**

These By-laws determine:

- matters for which the Co-Presidents of the Foundation Board are responsible and which are non-delegable and the manner in which the Board's decisions are made (Part II);
- how and to what extent the management of the Foundation is delegated by the Board to the Executive Committee, the Secretariat and the Treasury Committee and the manner in which their decisions are made (Parts III, IV and V);
- matters pertaining to representation and to appointment/removal of assistants (Part VI);
- miscellaneous (Part VII).

**II. THE FOUNDATION BOARD**

**Article 2 Composition of the Board**

- 2.1 Initially, the members and the Co-Presidents of the Board have been designated by the Founders of the Foundation. Future Board members will be designated by the existing Board members by cooptation and, in accordance with Article 8.3 of the Charter, elected by unanimous vote, and future Co-Presidents of the Board will be elected in accordance with the principles stated below and in accordance with the Statutes.
- 2.2 The Board shall consist of individuals or legal entities concerned with the Foundation's objectives as defined in Article 3 of the Statutes. The members of the Board shall be either representatives of "Industry Stakeholders" or representatives of "Civil Society" in the following meaning.

Industry Stakeholders are deemed to comprise cocoa processors, major manufacturers of cocoa and chocolate products, major cocoa users and such other participants in the production and marketing of cocoa and cocoa products as the Board shall agree. Civil Society is deemed to include trades unions, non-for-profit organizations and NGOs which, directly or through their immediate partners, have relevant experience in cocoa growing regions and/or relevant technical expertise to contribute to the Foundation's work.

- 2.3 Industry Stakeholders and Civil Society shall not necessarily be equally represented on the Board. However, the number of Industry Stakeholders representatives and/or the number of Civil Society representatives shall not be less than one third plus one ( $1/3 + 1$ ) of the total number of Board members.
- 2.4 The members of the Board shall appoint Co-Presidents from among current members of the Board. One Co-President shall be designated by the Board's Industry Stakeholder representatives, and the other shall be designated by the Board's Civil Society representatives.

### **Article 3 Term of office**

- 3.1 The initial Board Members were designated by the Founders. At the first meeting of the Board, the terms of the respective Board members were set so that, as nearly as possible, one-third would have terms expiring on July 1, 2003, one-third would have terms expiring on July 1, 2004, and one-third would have terms expiring on July 1, 2005. Since then, any Board member has a term of three years or less running from its designation, and may be re-appointed at the expiration of a term. If the number of Board members increases or decreases, the terms of newly created or eliminated Board seats shall be set so that, as nearly as possible, one-third of the terms of the Industry Stakeholders' representatives and one-third of the terms of the Civil Society representatives expire each year. Notwithstanding the foregoing, each Board Member shall serve until his or her successor is duly elected and qualified or until his or her death, resignation, or removal from office.
- 3.2 The Co-Presidents of the Board shall be appointed for one-year terms. They may be re-appointed.
- 3.3 A Board Member's term of office ends with retirement, dismissal, loss of the capacity to act or death. When a member of the Board is elected as a representative of a legal entity, his office terminates automatically when such representative leaves the legal entity or organization he represents, regardless of the reason for such departure. Board Members appointed to fill vacancies shall complete the term of the vacating Member.

### **Article 4 Exclusive powers of the Foundation Board**

- 4.1 The Foundation Board shall make all decisions relative to the Foundation in compliance with the provisions of the Statutes, in particular in Article 8.1, and in these By-laws.
- 4.2 The Foundation Board shall be vested with the overall direction and control of the Foundation and the supervision of its operations and structure. In particular, the Foundation Board shall supervise the persons who are responsible for the management and the representation of the Foundation and shall ensure compliance with provisions of the law, of the Statutes and of these By-laws.
- 4.3 In addition to its inalienable duties pursuant to Article 8.1 of the Statutes, the Foundation Board shall have the exclusive powers:

- to adopt the Joint Action Program;



- to approve the Budget;
- to approve the proposed financial facilities to be adopted with the Budget;
- to make decisions on any major action to be taken by the Foundation according to its objectives as stated in Article 3 of the Statutes.

## **Article 5 Meetings**

- 5.1 The Co-Presidents shall alternately chair the sessions of the Foundation Board. If both Co-Presidents are absent, the Board shall designate a member to chair the meeting.
- 5.2 At least twice per year the Board shall meet in person.

However, each Board member may appoint one person as Alternate. If the Board member is a legal entity, the Alternate shall be appointed within the legal entity that he/she represents. Such Alternate shall be entitled to attend Board meetings, but shall only be entitled to vote if the Board member that he/she represents is absent. A list of all the appointed Alternates mentioning the Board members they represent shall be drawn up and submitted to the Board for approval. The Board shall also approve any amendment to this list. In case an appointed Alternate leaves the legal entity that he/she represents, for whatever reasons, his/her Alternate's office shall automatically terminate. A new Alternate shall be appointed according to the above mentioned procedure. An Alternate's office shall automatically terminate at the time when the office of the Board member who has appointed him/her terminates, whatever is the reason for such termination. If a new Board member is appointed within the same legal entity, such new Board member may appoint an alternate of his/her choice, including reappointing the Alternate appointed by the preceding Board member.

For any additional meetings, the Board can meet by telephone or videoconference.

- 5.3 Unless otherwise decided by the Foundation Board, the General Secretary and the Treasurer shall be invited to attend meetings of the Board. If they are not members of the Board, they shall not have the right to vote.
- 5.4 Other individuals or legal entities with relevant skills such as Technical Advisers, Observers or Legal Counsel may be invited to attend meetings of the Board of the Foundation.

Technical Advisers are appointed by the Foundation Board for their potential to add value to the Foundation in accordance with article 8.6 of the Charter and for terms of three years or less, renewable. Technical Advisers shall advise the Foundation and bring their knowledge, experience, expertise and network to the Foundation.

Permanent Observers are appointed by the Foundation Board and shall be subject to the same nomination procedure and term as Technical Advisers. They are entitled to attend meetings of the Board in order to observe the Foundation proceedings and to participate in discussions

Ad hoc Observers and Legal Counsel are appointed by the Executive Committee. They may also be invited by the Executive Committee to attend specific meetings of the Board of the Foundation and to participate in discussions.

Technical Advisers, permanent or ad hoc Observers and Legal Counsel shall not be members of the Foundation Board, nor of any other bodies of the Foundation.

They shall have no voting rights.

Technical Advisers and Observers shall be entitled to reimbursement of any duly incurred expenses and fees, only upon prior agreement from the Executive Committee.

#### **Article 6 Decisions by correspondence**

- 6.1 Decisions of the Board, the Executive Committee, and the Treasury Committee can be made by correspondence (mail, fax, or e-mail), provided that no member of the Board or the pertinent Committee requires the subject-matter to be discussed in a meeting. An abstention for these purposes shall constitute a requirement for discussion of the subject-matter in a meeting.
- 6.2 Decisions made by correspondence are subject to a unanimous vote of the Board members or the pertinent Committee. Decisions proposed by correspondence shall be addressed to the Board members or the Executive Committee by one or both Co-Presidents with the relevant comments. Decisions proposed by correspondence shall be addressed to the Treasury Committee by the Treasurer.

#### **Article 7 Declaration of Interests**

- 7.1 Board Members shall declare any matter in which they or the organization that they represent have a material and direct interest that will be affected by an action of the Board. The Board shall adopt additional policies specifically addressing conflicts of interest.

### **III. THE FOUNDATION EXECUTIVE COMMITTEE**

#### **Article 8 Delegated Powers**

- 8.1 The following matters are hereby delegated by the Foundation Board to the Executive Committee:
- implementation of the decisions made by the Board when specifically delegated to it;
  - any matter that is not covered by the program plan or Budget and that falls outside the scope of the Day-to-Day Management, as this term is defined in



Article 11, below; provided it is not reserved to the Foundation Board pursuant to Article 4, above;

- any matter that is included in the Day-to-Day Management, as this term is defined in Article 11 below, but is not covered by the Budget, including commitments and expenditures of the Foundation for any period not exceeding six months;
- financial commitments that are not covered by the Budget;
- review of performance of the Executive Director on behalf of the Board. The Executive Committee shall make recommendations to the Board as a whole for any review of salary;
- regularly, but at least quarterly, review of progress both programmatic and financial. The Executive Committee will provide brief comment to the quarterly reports issued by the Secretariat and forward these to the Board;
- appoint and invite ad hoc Observers and/or a Legal Counsel to attend meetings of the Board of the Foundation.

8.2 The Executive Committee shall report to the Foundation Board on the activities conducted since the last Board meeting. In particular, the Executive Committee shall report to the Board on any decision taken with respect to the above-mentioned matters at the Board meeting immediately following the making of such decision.

#### **Article 9 Meetings**

- 9.1 Unless otherwise decided by the Members of the Executive Committee, the General Secretary and the Treasurer shall normally be invited to attend meetings of the Executive Committee. Unless they are also Members of the Board, the General Secretary and Treasurer shall have no right to vote on matters before the Executive Committee.
- 9.2 Meetings of the Executive Committee may be called by the General Secretary, the Treasurer or another member of the Executive Committee.
- 9.3 The convening of Executive Committee meetings is subject to no formal requirements except that the meetings shall be called at least 21 days in advance. This requirement may be waived with the consent of all Executive Committee members.
- 9.4 Meetings of the Executive Committee may be conducted by remote means such as telephone, videoconference, e-mail, telefax, or circular letter.

#### **IV. THE FOUNDATION'S SECRETARIAT**

##### **Article 10 The General Secretary**

- 10.1 The General Secretary is responsible for the performance of the duties delegated to the Foundation's Secretariat pursuant to Article 11 below.

**Article 11 Delegated Duties**

- 11.1 The delegation to the Secretariat includes the management of the Day-to-Day business of the Foundation (the "Day-to-Day Management").
- 11.2 The Day-to-Day Management shall consist of all managerial activities that are not reserved to the authority of the Foundation Board, the Executive Committee or the Treasury Committee of the Foundation.
- 11.3 The Secretariat shall perform, in particular, the following tasks:
- preparation of a proposed Joint Action Program for submission to the Executive Committee and the Board (the "Joint Action Program");
  - implementation of the Foundation strategy pursuant to the Joint Action Program and to the Budget adopted by the Board, when not specifically delegated to the Executive Committee;
  - implementation of the decisions made by the Board, when not specifically delegated to the Executive Committee, and of decisions made by the Executive Committee;
  - implementation of the agreements entered into by the Foundation;
  - reporting to the Board and to the Executive Committee pursuant to Article 12 below;
  - preparation and maintenance of accurate minutes of meetings, resolutions and decisions of the Board and the Executive Committee, except in those cases where the Board or Executive Committee elects to conduct its proceedings without a member of the Secretariat in attendance. In those cases, the Board shall designate a Board Member or advisor present at the meeting to prepare minutes.

**Article 12 Reporting**

- 12.1 The General Secretary shall provide the Executive Committee with a periodic report on the activities conducted during the period under review.
- 12.2 The General Secretary shall provide the Board with an annual report on the activities conducted during the period under review.
- 12.3 In addition, each member of the Board shall have the right to request information from the General Secretary on any specific aspects of the activities of the Foundation. Any information collected by the General Secretary following such request shall be provided to all members of the Board.



## V. THE FOUNDATION'S TREASURY COMMITTEE

### Article 13 The Treasurer

13.1 The Treasurer is responsible for the performance of the duties delegated to the Foundation's Treasury Committee pursuant to Article 14 below.

### Article 14 Delegated Duties

14.1 The delegation to the Treasury Committee includes the preparation and the review of all financial documents.

14.2 The Treasury Committee shall perform, in particular, the following tasks:

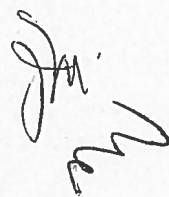
- preparation of a proposed annual budget for submission to the Board and implementation of such annual budget when adopted by the Foundation's Board (the "Budget");
- preparation of the annual financial statements of the Foundation for review by the Board;
- preparation of the relevant documents for the Executive Committee to make decisions according to Article 8.1 above;
- coordination with the External Auditor in performing its annual audit and in performing any other function the Board or Executive Committee may request of the External Auditor;
- reporting to the Board and to the Executive Committee pursuant to Article 15 below.

### Article 15 Reporting

15.1 The Treasurer shall provide the Executive Committee with accounts on a quarterly basis for the period under review.

15.2 The Treasurer shall provide the Board with annual accounts of the Foundation within two months after the Fiscal Year end.

15.3 In addition, each member of the Board shall have the right to request information from the Treasurer on any specific aspects of the financial situation of the Foundation. Any information collected by the Treasurer following such request shall be provided to all members of the Board.



## **VI. REPRESENTATION OF THE FOUNDATION AND APPOINTMENT / REMOVAL OF ASSISTANTS**

### **Article 16 Signatory Powers with the Registry of Commerce**

- 16.1 A member of the Board may only represent the Foundation by way of joint signature with another member of the Board.
- 16.2 A list of all Board members empowered to commit the Foundation by their signature is attached to these By-laws as Schedule A. The Board shall ensure that the Foundation's signatories are duly recorded with the Registry of Commerce.
- 16.3 No person with signatory power shall grant any delegation of its signature power to third parties save as provided in specific written mandates or service contracts submitted for the prior approval of the Foundation Board.

### **Article 17 Signatory Powers with Banks**

- 17.1 Any representative of the Foundation who has a signatory power with the Bank or with any financial institution shall be recorded in a special register (the "Bank List").
- 17.2 The Bank List shall state the type of signatory powers for each of the Foundation's representatives.
- 17.3 The Foundation's Board shall approve the Bank List annexed hereto as Schedule B and any amendment thereto.

### **Article 18 Appointment / Removal of assistants**

- 18.1 Subject to Article 8.1 of the Statutes, it is the responsibility of the General Secretary to appoint and dismiss any individual whose employment contract he or she has executed, after consultation with the co-Presidents and in conformity with a process of Board review to be adopted by the Board.

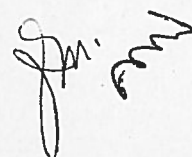
## **VII. MISCELLANEOUS**

### **Article 19 Diligence and confidentiality**

- 19.1 The members of the Board, of the Executive Committee, of the Secretariat and of the Treasury Committee shall carry out their duties with all the diligence necessary and shall faithfully preserve the interests of the Foundation.

### **Article 20 Entire By-laws/Amendments**

- 20.1 These By-laws shall exclusively govern the matters defined in Article 1 above.
- 20.2 These By-laws may only be amended by a two-thirds majority of the votes of the Board Members according to Article 8.6 of the Statutes.

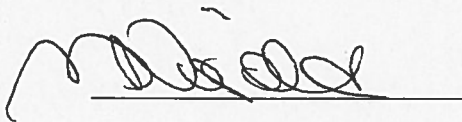
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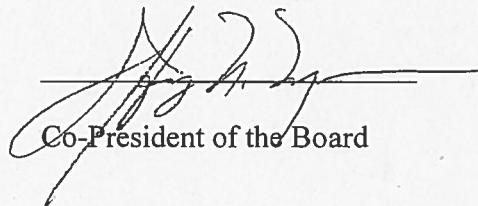
**Article 21 Effective Date**

21.1 The By-laws shall become effective on the day of their approval by the Board.

Made in Geneva on 19 April 2018



Co-President of the Board



Co-President of the Board

List of Schedules: Schedule A: Registry of Commerce List (Art.16)  
Schedule B: Bank List (Art.17)  
Schedule C: Organizational Chart