

**PEFC COUNCIL  
BOARD CORPORATE GOVERNANCE CHARTER**

## Contents

1	Role of the Board.....	1
2	Board Composition.....	2
3	The Role of the Chairman and Vice Chairmen .....	2
4	The Duties of the Board members .....	2
5	Board Performance Review .....	3
6	Delegation to Management.....	3
7	Board Committees / Working Groups .....	3
8	Board Remuneration.....	3
9	Human Resources .....	3
10	Meetings.....	4
11	Business Risk and Policies.....	4
12	Conflicts of Interest.....	4
13	Affiliations Register.....	4
14	Professional Development .....	5
15	Amendments to the Charter .....	5
16	Charter Calendar .....	5

In addition to this public document, there are internal operating procedures, which contain organisationally confidential information. Where referenced in the charter these are referred to as ‘the appendix’.

### **1 Role of the Board**

To provide effective governance over performance of PEFC in the interests of its members and oversee its strategic direction. Under Article 6.7, of the [PEFC Statutes](#), the Board of the PEFC Council has the following tasks:

- i. co-ordination and administration of the work of the PEFC Council*
- ii. appointing an Executive Committee consisting of the Chairman and Vice-Chairmen of the PEFC Council, to undertake certain of the Board’s duties and functions delegated to it by the Board. Other Board members may be co-opted as and when required. The Executive Committee is answerable to the Board of Directors*
- iii. delegating Board tasks and functions to the Secretary General as determined by the Board*
- iv. preparation of the meetings of the General Assembly*
- v. preparation of the annual budget and the closing of accounts*
- vi. decision on the conformity of certification schemes with the requirements set out by PEFC Council*
- vii. Installation [/creation] of working groups and panels of experts for specific items, as necessary*
- viii. promotion and public relations*
- ix. employment and dismissal of a Secretary General or any other personnel*
- x. consideration of non PEFC forest certification schemes with a view to facilitating mutual recognition.*

and: “In addition, the Board takes all decisions in the interest of the PEFC Council which are not expressly in the competence of the General Assembly as per article 5 and 6 of the PEFC Council Statutes”

The Board interprets these matters to cover the following general governance tasks:

- Appointment of the Secretary General and associated remuneration (ref Statutes 7.1)
- Strategy and policy
- Budgeting and planning
- Reporting and compliance
- Board performance monitoring
- Board scheme assessment responsibilities as specified elsewhere in PEFC documentation
- Determining, monitoring and addressing risks to the organisation

In carrying out its responsibilities, the Board undertakes to act diligently and honestly in accordance with applicable laws to serve the interest of the members, and other stakeholders.

The Board, in carrying out its tasks, may obtain such outside or other independent professional advice, as it considers necessary to carry out its duties.

## **2 Board Composition**

The PEFC Statutes (Article 6.2) requires a Board comprising the Chairman of the PEFC Council, two Vice-Chairmen and 2-12 members who are elected by the General Assembly for an election period of three years.

The constitution of the Board is aimed to reflect the major interested parties who support the PEFC, the geographical distribution of the members, the diversity of their annual cutting categories and an appropriate gender balance. [Board members are elected for](#) terms of three years, unless replacing a Board Member mid-term when they will complete that term and can be re-elected for a full first and or a second three-year term.

Members of the Board are appointed for their skills and experience, and not as representatives of particular organisations or stakeholder groups and are provided with induction materials (including past minutes and papers, expenses forms etc.) prior to commencing their duties. (Ref appendix 2)

Members of the Board commit to acting in the best interests of PEFC and its members as a whole The PEFC Statutes (Articles 6.4, and 5.8) and [PEFC Guideline GL 1009:2018](#) covers the procedures and eligibility for election and re-election.

The Board will ensure that its members are appropriately qualified and will note their qualifications in the Annual Report. If a member of the Board of Directors has been employed by PEFC within three years of appointment to the Board, that fact will also be noted in the Annual Report.

## **3 The Role of the Chairman and Vice Chairmen**

The Chairman of the Board is elected by the General Assembly (Statutes Art 5.7)

### **3. a. Chairman**

The Chairman will be responsible for the overall functioning, direction and effectiveness of the Board and its meetings, and will report to the General Assembly issues affecting the organisation.

The Chairman will support and complement the work of the Secretary General in an ambassadorial role as appropriate.

The Chairman will ensure the timely and accurate dissemination of information to Board members through the Secretary General; ensure that there is structured and open debate of issues and will advise and counsel Board members as appropriate.

### **3. b. Vice Chairmen**

In the absence of the Chairman, the Board meetings are chaired by one of the Vice-chairmen.

## **4 The Duties of the Board members**

Board members have a duty to act with care and diligence, in good faith, and maintaining the highest ethical standards, in the best interests of PEFC. These duties are augmented by their responsibility to understand PEFC's operating environment and financial position, apply their expertise and skill in PEFC's

best interests, make informed decisions and respect the collective nature of the Board's decisions. (Ref appendix 1)

## **5 Board Performance Review**

The Board will ensure that on a review of its performance is completed on at least a biennial basis and advised to the Members.

## **6 Delegation to Management**

The Board retains responsibility for the strategic direction of PEFC whilst delegating the responsibility for the day-to-day operation and administration of the organisation to the Secretary General.

## **7 Board Committees / Working Groups**

The Board has not delegated any functions to an Executive Committee (Statutes Article 6. 7. ii) and has determined that all functions will be managed directly by the Board.

In addition to ad hoc committees/working groups as specified in the Statutes Article 6.7 vii, the Board may establish Standing Committees to assist it in the discharge of its responsibilities. Standing Committees, whose remit is determined by the Board, provide advice to the Board, and do not exercise executive power in their own right. The Board will appoint members to Standing Committees, Working Groups, and Ad Hoc committees as required and make changes to membership.

The Board will ensure that the Terms of Reference (ToR) of each Board Committee/Working Group is periodically reviewed and that the role and the responsibilities of each committee meet the requirements of the Board. Wherever possible, a board member will be appointed to chair the committee/working group to ensure regular feedback at each Board meeting.

In addition, Board members will be allocated to interest areas covering technical/accreditation, communications/marketing and fundraising/development as a basis for advice and support to the Secretariat.

Recommendations by the Board committees / working groups are made, wherever possible, by consensus. If consensus is not reached, the issues will be referred back to the Board so it can review these and as appropriate take the responsibility of a final recommendation and/or decision.

## **8 Board Remuneration**

Board members are not remunerated for their services on the Board. The Board may approve a payment to a Board member where he or she has been requested by the Board to undertake specific tasks on behalf of PEFC falling outside the normal duties of a Board member. Board members may receive re-imbursement for reasonable expenses incurred in attendance at Board meetings, or in the discharge of Board duties as determined by the Board. (Ref appendix 6)

## **9 Human Resources**

PEFC is an equal opportunities employer and does not discriminate against any employee or job applicant because of race, colour, religion, national origin, gender, sexual orientation, physical or mental disability, or age. PEFC also strives for gender balance in the appointment of staff. It operates an appraisal process in reviewing the performance of staff and advancement. PEFC also offers personal and professional training opportunities to staff and has secured the services of an HR agency based in Geneva to advise on all HR issues including recruitment and other best practices in the employment and retention of staff and contractors including job descriptions and advertising of appointment opportunities.

In addition, PEFC takes independent external advice of salary benchmark organisations to set staff remuneration rates which are annually considered by the Chair and Vice Chairs for the Secretary General and by the Secretary General and Deputy Secretary General (with advice from the Chair and Vice Chairs) for the staff members. (Ref. appendix 8).

## **10 Meetings**

The Board currently meet as often as it deems it necessary, but at least two times per annum as required by the Statutes; it currently meets three times per annum (Art 6.5), one of which will be held co-incidentally with the General Assembly. At each meeting, the Board determine the administrative and strategic items to be considered at the next meeting.

The Board meetings dates are agreed by the Board for the year. In addition, they can also be convoked by the Chairman with a notice of four weeks, or at the request of at least one third of the board members as per Article 6.5 of the Statutes.

Agendas and Board papers will be provided to Board members two weeks prior to Board meetings (Statutes Article 6.5) the draft agenda of full in person Board meeting is also circulated to members in advance of meetings so they are kept apprised of issues the Board is dealing with on their behalf.

A quorum shall comprise half the Board members plus one.

Members have the right to introduce items to the Board provided they are submitted in writing to the Secretary General at least three weeks before a board meeting (Statutes Articles 6.6).

Unless otherwise prescribed in the PEFC documentation, decisions and recommendations by the Board are made, by consensus. If consensus cannot be reached, majority voting applies. The results of voting are recorded in the minutes. In the case of equality of votes, the Chairman has the determining vote. After having considered agenda items at a Board meeting, the Board may agree to use email ballots to arrive at a final decision, in a manner decided on by the Board (Statutes Article 6.2).

Postal ballots on recommendations for scheme endorsement must be unanimous and a board member can request a conference call prior to a voting deadline or a referral of the decision to the next physical meeting.

Minutes are approved by the members of the Board and signed by the Chairman and Secretary General and published on the PEFC website.

*"Secretary General participates at the meetings of the Board and takes the minutes"* (Statutes Article 7.2) except when the Board is reviewing the performance of the Secretary General.

Other PEFC staff may attend Board meetings by invitation.

## **11 Business Risk and Policies**

The Board will undertake a periodic review of business risk, including a review of Board policies such as financial ones. (Ref appendices 3 to 7).

Incorporated into the business risk of the organisation is compliance with legislation and associated regulations. The Board will ensure that it and the organisation comply with all relevant legislation and regulations and ensures that adequate controls are in place that minimises the risk of non-compliance.

In addition, to considering risk at every meeting, the Board considers the risk profile of every Board decision. The Board also has a Risk Register, which will be reviewed annually as a separate agenda item.

## **12 Conflicts of Interest**

Board members will declare any conflicts or perceived conflicts of interest and absent themselves from voting on these matters as necessary and this will be noted in the minutes of the meeting.

## **13 Affiliations Register**

The PEFC Council Secretariat keeps an affiliations register, which is circulated, to Board members before each Board meeting. Board members are required to check and update their entries as appropriate by the start of each board meeting.

## 14 Professional Development

Members of the Board are encouraged to undertake appropriate professional development activities that will assist them in their capacity as a Member of the Board of Directors of PEFC. In certain circumstances, PEFC May assist such development, with approval of the Board.

## 15 Amendments to the Charter

The Charter shall be reviewed periodically, amended as necessary, and made publicly available on the website (excluding the appendices, which are operational internal documents for the Board members).

Reviewed and Approved - May 2021

### SIGNATURES:

\_\_\_\_\_

Chair

\_\_\_\_\_

Secretary General

## 16 Charter Calendar

	= Implementation Reporting			
	= Financial - Annual			
	= Reviews and planning			
<b>BOARD PAPERS - CALENDAR DEADLINES</b>				
	Completed	April	October	GA Board
Implementation Work Plan (Progress Report)				
Implementation Management Accounts				
Risk Register Review				
Board's Self-evaluation				
Work Plan for following year				
Strategic Plan Review				
Board Policies / Insurance /procedures etc. Review				
Annual Budget				
Annual Accounts (final)				
Board Meeting Timetable ( <i>following year</i> )				
New Board Members Induction (after GA)				