

Aquaculture Stewardship Council SUPERVISORY BOARD REGULATIONS

Article 1. Role of the Supervisory Board

The Constitution provides that the Executive Board manages the Foundation and that the Supervisory Board is charged with the overall supervision of the policies pursued by the Executive Board and the general running of the Foundation. This includes the supervision of the activities undertaken to achieve and give effect to the object of the Foundation.

Article 2. Rights, powers and responsibilities of the Supervisory Board

1. The Supervisory Board is charged with the overall supervision of the policies of the Executive Board and the general running of the Foundation. In the discharge of its duties, the Supervisory Board must be guided by the interests of the Foundation.
2. The Supervisory Board monitors whether the Executive Board, in formulating its policies and performing its duties, takes due account of the interests of the organization of the Foundation in relation to the Foundation's societal role, and whether the Executive Board has carefully balanced the interests of all the Foundation's stakeholders.
3. The responsibilities of the Supervisory Board include at least the following powers and duties:
 - Hiring, review of performance, and firing of the Chief Executive Officer of the Executive Board;
 - Advising the Executive Board;-Ensuring that the Executive Board functions effectively (by appointing, assessing and removing Executive Board members and by acting as the employer of the Executive Board members in a general sense);
 - Monitoring and, where necessary, improving the functioning of the individual members of the Executive Board;
 - Promoting a targeted and effective use of the resources of the Foundation;
 - Ensuring effective internal supervision (by appointing, assessing and removing (members of) the Supervisory Board);
 - Functioning as an advisor and a sounding board (sparring partner) for the Executive Board as a whole and for the Executive Board members individually;
 - Overseeing the policies pursued by the Executive Board and the general running of the organization;
 - Signing a Supervisory Board Code of Conduct which describes the role and duties of the Supervisory Board and the commitment of the members to the goals of the ASC;
 - In accordance with the ASC Dispute Resolution Policy, reviewing judgements made by the dispute resolution panel on appeals to certifications to make a final and duly motivated decision whether a certification should stand or be recalled;
 - Maintaining a commitment to international guidelines with regard to governance processes for social and environmental standards schemes and standards governing bodies (e.g., ISEAL) as long as those guidelines are consistent with the goals of the ASC;
 - Establishing special committees as defined in the Deed (e.g. Technical Advisory Group, Stakeholder Advisory Group) and approving their charters and membership as needed;
 - Either granting or withholding approval of proposed resolutions by the Executive Board as defined in Paragraph 5 of Article 6 of the Foundation's Deed;
 - Approving the strategy and work plan of the ASC Executive Board including significant strategic decisions by the Executive Board;
 - Appointing the auditor/registered accountant of the Foundation.

4. The Supervisory Board assures and verifies in particular that the implementation of the policies of the Executive Board is in accordance with the adopted and approved policy plans and policy principles and the associated budget or budgets. The Supervisory Board and the Executive Board will agree on the benchmarks to be used for that purpose by the Supervisory Board.

Article 3. Provision of information

1. The Executive Board must furnish the Supervisory Board in good time with the information required for the effective discharge of the latter's duties. Such information will generally be furnished in preparation for or during the meetings of the Supervisory Board, but the Executive Board will also furnish the Supervisory Board with relevant information between meetings if and as necessary. In any event, the Supervisory Board expects to be informed by the Executive Board of any important developments or matters arising within the Foundation.
2. The Supervisory Board will ensure that the Executive Board reports regularly to the Supervisory Board on:
 - the fulfilment of the Foundation's societal role, the strategy pursued as well as the risks associated with it and the measures in place to control those risks;
 - the current and projected future financial health of the organization;
 - its assessment of the internal control systems, including the supply of management information, in relation to the object of the Foundation;
 - its actions to inform ASC stakeholders of ASC activities; and,
 - activities and recommendation of all ASC committees.

The key points of these reports for the above and their discussion will be included in the annual report.

3. If the Foundation becomes the focus of media attention, the Executive Board will inform the members of the Supervisory Board accordingly if and to the extent that the nature and scope thereof is relevant to the functioning of the Supervisory Board.
4. Each member of the Supervisory Board will treat all information and documentation which he receives in the exercise of his supervisory responsibilities and which should reasonably be regarded as being of a confidential nature in the strictest confidence and will not disclose such information to anyone outside the Supervisory Board and the Executive Board, both during and after his term of office.

Article 4. Membership of the Supervisory Board

1. Profile of the Supervisory Board

1.1 The Supervisory Board will prepare a profile of the Supervisory Board and will verify whether the profile is still appropriate at least at the time when a member of the Supervisory Board retires, either by rotation or otherwise, or whenever a vacancy arises on the Supervisory Board for any other reason. The Supervisory Board will do so in consultation with the Executive Board. The Supervisory Board will revise the profile if and as necessary.

1.2 The profile is public and will be made available upon request.

1.3 The profile of the Supervisory Board should ensure that the composition of the Supervisory Board is such that:

- there is sufficient affinity with the Foundation's object;
- a broad-based relationship with society and a functional network are established;
- it reflects a balanced representation of societal backgrounds, areas of expertise and disciplines, such as technical, financial and economic, legal, political, social and/or business backgrounds and involvement in responsible aquaculture, whereby the members of the Supervisory Board act critically and independently of one another and the Executive Board;
- the role of the Supervisory Board as an advisory body and sounding board for the Executive Board is adequately resourced.

2. Profile of members of the Supervisory Board

2.1 The Supervisory Board will make a general profile setting out the qualities and capacities required of members of the Supervisory Board; for each Supervisory Board position this general profile will be supplemented with specific requirements regarding background, discipline and expertise.

2.2. The profile of a member of the Supervisory Board must address at least the following aspects:

- affinity with the Foundation's object;
- general governance skills and experience;
- the right balance between commitment and pragmatism;
- the ability and aptitude to assist the Executive Board as an advisor and a sounding board;
- the ability to oversee and monitor the policies of the Foundation and the functioning of the Executive Board;
- the ability to give advice and to carry out supervisory duties as part of a team;
- integrity, sense of responsibility and an independent frame of mind;
- understanding of the demands made on organizations such as the Foundation in terms of quality, efficiency and continuity;
- the ability to form a broad opinion of issues identified by the Executive Board; and,
- sufficient availability.

2.3 The members of the Supervisory Board are expected to keep abreast of developments with respect to the activities and specific functions of the Foundation, and to play an active societal role.

2.4 The profile will be furnished to the Executive Board.

2.5 At least at the time when a vacancy arises on the Supervisory Board, either by rotation or for any other reason, the Supervisory Board will verify whether the profile for the seat in question is still appropriate and consistent with the profile of the Supervisory Board.
The Supervisory Board will do so in consultation with the Executive Board. The Supervisory Board will revise the profile if and as necessary.

3. The Chair

3.1 The Supervisory Board appoints the Chair of the Supervisory Board from its number. The Supervisory Board appoints a Vice-Chair from its number on the nomination of the Chair; the Vice-Chair will replace the Chair if the latter is absent.

3.1.1 – The Chair and Vice Chair will serve for a two year term and may be re-elected to that position. The Chair and Vice Chair will be nominated and elected by the SB at its first Board meeting of the calendar year.

3.2 Subject and without prejudice to the requirements set out in the profile, the Chair of the Supervisory Board must possess specific qualities and capacities which will be defined by the Supervisory Board.

The Chair must in particular:

- be able to preside over the Supervisory Board with personal authority and natural leadership;
- have a personality and background that allow him to play a leading role in the opinion and decision-making processes of the Supervisory Board;
- have a clear understanding and appreciation of the duties and functions of the Supervisory Board and the Executive Board;
- have such characteristics and charisma that he is able to fulfil an external role in the interests of the Foundation if so required.

3.3 The Chair presides over the meetings of the Supervisory Board and is the first point of contact on the Supervisory Board for the Executive Board and others.

3.4 If and to the extent that the Supervisory Board makes public statements, it will do so, as a rule, through its Chair and with due regard to the provisions of Article 5 below.

4. The Executive Board

4.1 The CEO of the Executive Board shall attend the Supervisory Board Meetings but do so in an ex-officio capacity.

4.2 The CEO will be asked to leave a meeting of the Supervisory Board when it elects to meet in “Executive Session” (i.e. just SB members). The Supervisory Board, per the Deed, shall give the CEO notice of such a session beforehand and will state the reason for the Executive Session.

5. Incompatibility

- 5.1 The functioning of a member of the Supervisory Board should be characterized by integrity and independence. Accordingly, a member of the Supervisory Board may have no interests whatsoever in the Foundation.
- 5.2 Where necessary, the Supervisory Board may determine, in addition to the provisions of the Constitution, what involvement, background or position is deemed to be incompatible with membership of the Supervisory Board.
- 5.3 If a member of the Supervisory Board suspects that (the appearance of) any such incompatibility might arise or that any other conflict of interest with the Foundation could occur, such Supervisory Board member must inform the Chair accordingly. If the Chair is of the opinion that it concerns an isolated incompatibility problem to which there is a temporary solution, the Supervisory Board member in question is required to assist in implementing such a temporary solution. If the Chair is of the opinion that it concerns a structural incompatibility problem, the Supervisory Board member in question is required either to ensure that the incompatibility is remedied or to step down. The Chair will advise the other members of the Supervisory Board accordingly.

Article 5. Internal and external consultations and conduct of the Supervisory Board

1. The Supervisory Board and the Executive Board may make further arrangements in respect of attendance by the members of the Supervisory Board at a meeting between the Executive Board and other internal advisory bodies of the Foundation.
2. If the Supervisory Board as a whole or individual members of the Supervisory Board are approached by external relations or by individuals working for the Foundation about matters relating to or connected with the Foundation or its staff, the Supervisory Board or such individual members should refer the persons in question to the Executive Board. The role of the Supervisory Board members is to be ambassadors for the ASC, but not to do the ASC's business.
3. Exceptions to the rule set out in Paragraph 2 may be made only in very exceptional circumstances and if there is a good reason for doing so. The Executive Board must be consulted about such exceptions beforehand or, if this is not possible, the Executive Board must be advised thereof afterwards.
4. If all the members of the Executive Board are absent or unable to act, a person to be appointed for that purpose by the Supervisory Board will temporarily be charged with the management of the Foundation. Such person must not be a member of the Supervisory Board.
5. The Technical Advisory Group (TAG)
 - 5.1 Under its power to form committees, the Supervisory Board will form a Technical Advisory Group in order to preserve the knowledge developed during the standards development process. The TAG will operate according to the TAG Operating Rules which are maintained by the Supervisory Board per 2.3 above. Members of the TAG are selected as individuals with specific knowledge and not as organizational representatives.
 - 5.2 Per the Deed, the Executive Board or current members of the TAG will propose new members of the TAG and they must be approved by the Supervisory Board.



5.3 Members of the TAG serve for up to three years terms and may serve for two terms. If they leave the TAG, they may return to the TAG after a term has transpired.

5.4 The TAG will provide recommendations to the ASC Supervisory Board on the use of the standards and other technical topics as in the TAG's Terms of Reference and requested by the ASC Supervisory Board or Executive Board.

5.5 In those instances when the Supervisory Board does not agree with the advice of the TAG, the Supervisory Board will explain its issues in writing and send it back to the TAG for reconsideration.

5.6 The TAG will elect its own Chair and Vice Chair to serve for periods of one year. The officers can be re-elected.

5.7 Members of the TAG may be removed, or the TAG itself may be dissolved, by a vote of the Supervisory Board.

5.7 Voting members of the TAG can be members of other ASC committees, but cannot be members of the ASC Supervisory Board. They can be invited by the Supervisory Board to attend (relevant parts of) Supervisory Board meetings as observers or advisors.

5.8 Two SB members will sit on the TAG as observers and take issues of concern and the recommendation of the TAG to the SB.

6 The Stakeholder Advisory Group

6.1 Under its power to form committees, the Supervisory Board will form a Stakeholder Advisory Group (SAG) to solicit recommendations from ASC stakeholders for specific topics or for those topics the SAG believes should be brought to the attention of the Supervisory Board.

6.2 The SAG will operate according to the SAG Operating Rules which are maintained by the Supervisory Board.

Article 6. Appointment of members of the Supervisory Board

1. If a vacancy arises, the Supervisory Board will establish that fact and will determine the profile for the vacant seat in accordance with the provisions of Paragraph 2 of Article 4.
2. The Executive Board must be notified of the vacancy and be provided with the relevant profile.
3. Each member of the Supervisory Board is entitled to recommend one or more candidates, subject to the requirements set out in the profile. The Executive Board is similarly entitled to recommend one or more candidates to the Supervisory Board, subject to the requirements set out in the profile.
4. The party recommending a candidate should not create any expectations whatsoever in the mind of the recommended candidate regarding his possible appointment.
5. If the person in question is prepared to join the Supervisory Board, he will be invited for an introductory interview with the Supervisory Board and the Executive Board.

6. If the introductory interview is mutually satisfactory, the Supervisory Board will, at the next subsequent meeting, declare its intention to appoint the person in question and discuss this intention with the Executive Board.
7. The Supervisory Board appoints the person in question. The Executive Board will be advised of the decision to appoint the candidate in question and of the reasons for the decision.
8. Two members of the Supervisory Board will have detailed knowledge and experience with the Technical Advisory Group.

Article 7. Termination of membership of the Supervisory Board

1. Schedule for retirement by rotation

- 1.1 The Supervisory Board will prepare a schedule for retirement by rotation under which the term of office of a member of the Supervisory Board terminates no more than three years after his appointment in accordance with the Foundation's Deed.
- 1.2 The retirement schedule must ensure continuity in terms of the composition of the Supervisory Board.
- 1.3 Under the Foundation's Constitution, a member retiring by rotation will be eligible for immediate reappointment once. If the Supervisory Board intends to reappoint a retiring member, it will review the profile for the seat in question and add its findings to the request for advice to be submitted to the Executive Board.

2. Stepping down

- 2.1. A member of the Supervisory Board must step down:
 - if the Supervisory Board repeatedly establishes that the performance of the member in question is inadequate;
 - if the Supervisory Board establishes that there are irreconcilable conflicts between the interests of the member in question and the interests of the Foundation;
 - if the Supervisory Board establishes that the other position or positions held by the member in question are incompatible with his membership of the Supervisory Board.

3. Suspension and removal

- 3.1 If the Supervisory Board is of the opinion that any of the circumstances referred to in Paragraph 2 has arisen and the Supervisory Board member in question does not step down of his own motion, the Supervisory Board will pass a resolution to remove the member in question from office in accordance with the provisions of the Foundation's Deed. Removal from the SB requires that 75 percent or more of the members of the SB be in favour of removal.
- 3.2 Before the Supervisory Board passes a resolution to suspend or remove a Supervisory Board member, the member in question will be given an opportunity to take note of the intentions of the Supervisory Board and to express his views on the matter.
- 3.3 The Supervisory Board, the Supervisory Board member in question and the Executive Board will agree beforehand on a course of conduct regarding any public statements about the suspension or removal.

4. Other reasons for termination of membership of the Supervisory Board

The Foundation's Deed details the other circumstances in which membership of the Supervisory Board terminates.

Article 8. Procedures and working practices

1. Areas of focus

1.1. If so desired, the Supervisory Board may agree on a division of areas of focus among its members. As a rule, the area of focus assigned to each member will be determined by his background, discipline and expertise. However, any such division will not diminish the responsibility for the overall supervisory role of the Supervisory Board and the responsibilities of the Executive Board with respect to the area of focus concerned.

2. Meetings

2.1 Except in exceptional circumstances, the Supervisory Board's decision-making takes place at the meetings of the Supervisory Board, which are convened as provided in the Foundation's Deed.

2.2 The Executive Board attends the meetings of the Supervisory Board, unless the Supervisory Board indicates that it wishes to hold a meeting without the Executive Board in attendance. In that case, the Chair will inform the Executive Board of the reasons.

2.3. As a rule, the Executive Board prepares the materials for the meetings of the Supervisory Board in consultation with the Chair. Resolutions for which the Executive Board requires the prior approval of the Supervisory Board by virtue of the Foundation's Deed must be included on the written agenda for the meeting, supported by reasons.

2.4 The Minutes of the meetings of the Supervisory Board will be taken by or on behalf of the Executive Board. In the case of a meeting which is not attended by the Executive Board, the Chair to preside over the Supervisory Board will determine prior to the meeting how the minutes of that meeting will be taken. The person chairing the meeting may determine that the minutes should take the form of minutes of resolution rather than minutes of narration.

2.5 As a rule, the Supervisory Board meets three times a year and, furthermore, whenever the Chair, at least two members of the Supervisory Board or the Chair of the Executive Board deem such to be appropriate. At least one of these meetings will consider the annual report and financial statements, either with or without the Foundation's auditor in attendance.

2.6 The meetings of the Supervisory Board are closed. The Supervisory Board and/or the Executive Board may invite outside observers or experts in to attend the meeting or part of the meeting to advise on a specific topic. Such an invitation has to get the prior approval of the Chair and at least half the Supervisory Board.

3. Secretariat

- 3.1 The Secretariat of the Supervisory Board is provided by or on behalf of the Executive Board, which will also ensure appropriate filing of the records of the Supervisory Board.
- 3.2 The records of the Supervisory Board must be accessible to the members of the Supervisory Board at all times.

Article 9. Evaluation

1. Once a year a Supervisory Board meeting will be held which will evaluate the functioning of the Supervisory Board and the Executive Board and the relationship between the Supervisory Board and the Executive Board. The Supervisory Board will also prepare its own annual report setting out how the Supervisory Board has discharged its supervisory responsibilities. This report will be posted on the ASC web site. (See Article 11)
2. The Executive Board will not attend this meeting (or the first part of this meeting). The Chair of the Supervisory Board will ask the Executive Board in advance whether there are any issues regarding its own functioning or the functioning of the Supervisory Board which the Executive Board wishes to be considered in the evaluation.
3. Each year, the Chair and the Vice-Chair will conduct a performance interview with (the members of) the Executive Board in which they will also address any issues arising from the evaluation undertaken by the Supervisory Board.

Article 10. Attendance fee

1. Supervisory Board members may be entitled to reimbursement for the (reasonable) expenses incurred by them in the performance of their duties but may not receive remuneration for the work performed by them on the Foundation's behalf.
These reimbursements and fees shall be disclosed and explained in the financial statements of the Foundation.

Article 11. Report

- 1 The Supervisory Board will account for its actions externally by including a report on its activities in the annual report of the Foundation.

Article 12. Amendments to these Regulations

1. In the context of the annual evaluation of its functioning the Supervisory Board will also consider whether these Regulations still meet the relevant criteria. The Chair will ask the Executive Board for its opinion in this regard in advance.
2. These Regulations may be amended by a resolution of the Supervisory Board. Before passing such a resolution, the Supervisory Board must seek the advice of the Executive Board about the proposed amendment.



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Article 13. Final provisions

1. These Regulations replace the previous version, which has ceased to apply.
2. These Regulations Orders are a public record.

These Regulations were adopted by the Supervisory Board on March 1, 2011.