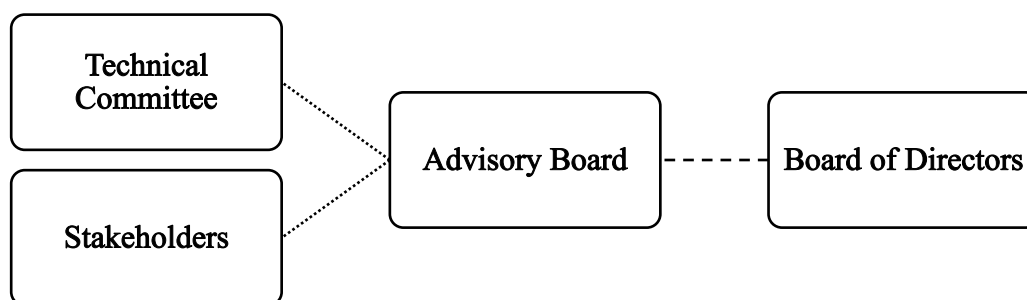


Terms of Reference (ToR) for the Board of Directors

1. The Board of Directors position in the governance structure

Three groups are involved in the project FOS governance structure: the Board of Directors, the Advisory Board and the Technical Committee. The Board of Directors is the top governing body. Taking into account the inputs received from the Technical Committee and Stakeholders, the Advisory Board advises the Board of Directors regarding strategies to reach the objectives of Friend of the Sea Project.



..... Independent external collaboration - - - - External collaboration

2. Composition

The Board of Directors, in compliance with the statutes and by-laws of the World Sustainability Organization, is composed by one or more directors up to a maximum of five. The type of management and the number of directors are established by the shareholders together with the appointment of directors. The Board of Directors remains in office until withdrawal or resignation or for the duration established by the shareholders at appointment. The directors can be withdrawn at any time by decision of the shareholders, without prejudice to the right to compensation for any damages if the withdrawal of the director appointed for a fixed term



occurs without just cause. The termination of the directors as a result of expiry of their office or resignation takes effect from the moment in which the management body has been re-elected. However, the directors who remain in office, those who no longer hold office and any Supervisory Body must submit the re-election of the management body to the decision of the shareholders as soon as possible, and in any case within thirty days.

3. Tasks

The Board of Directors is the top governing body and it manages all the Departments. With advice from the Advisory Board, it defines the strategic direction of the Friend of the Sea Project in the fulfilment of its objectives.

The Board of Directors' roles and responsibilities are:

- To manage all departments' staff, budgets and operations;
- To approach and select the Advisory Board members once every two years;
- To conduct the annual performance review meetings with the Advisory Board members;
- To monitor and to provide input to the seafood standards revision process;
- To ratify the approval and validation of the standards.

4. Decision-making process

In line with the [statutes and by-laws of the World Sustainability Organization](#) (Art. 21), the Board of Directors is governed by the following rules:

- a) If the shareholders have not done so at appointment, the Board elects the Chairperson from among its members and a Vice Chairperson who exercises the duties of the Chairperson in his/her absence or impediment, and it may appoint one or more managing directors determining their powers within the limits set by the law;

- b)** The Board meets in the registered office or elsewhere, provided it is in Italy, when the Chairperson considers it necessary or when a written request is made by at least one director;
- c)** The Board is convened by the Chairperson by written notification containing the date, place and time of the Meeting and the Agenda, sent to all the directors and members of the Supervisory Body, at least five days before the date set for the Meeting, and in the event of particular urgency at least twenty-four hours before; notification can also be sent by fax or e-mail, to the address previously provided by the party concerned and noted in the book of resolutions of the Board of Directors; in the event of impossibility or inactivity of the Chairperson of the Board it may be convened by any of the directors;
- d)** In the absence of a formal convocation, the Board duly decides when all the directors and members of the Supervisory Body are present;
- e)** The decisions of the Board of Directors are taken with the favourable vote of the majority of the directors in office or according to the majorities and in the manner provided at appointment of the directors;
- f)** The Board of Directors appoints a secretary, even non-board member, who draws up the minutes of the resolutions and signs it together with the Chairperson;
- g)** The decisions of the Board of Directors may also be adopted by written consultation or on the basis of the express written consent of each of the directors; in this case one of the directors communicates the proposed text of the decision to all the others, setting a term of no less than eight days within which each must send to the head office any consent thereto; in the event of failure to reply within the time limit set, consent is considered denied; documents must clearly show the subject matter of the decision and consent thereto; communications may take place by any means that enables verification of their origin and receipt of confirmation (also by way of a declaration of receipt sent by the same means), including fax and email, and they must be kept by the company;
- h)** The Board of Directors must always meet to approve the draft financial statements and in the other cases envisaged by law.