



## CONSTITUTION OF THE WORLD FAIR TRADE ORGANIZATION 3 september 2013

### Preamble

This Constitution is written under Dutch law and may only be interpreted within its meaning under Dutch Law. The English text determines the interpretation and explanation of the Constitution. Except as expressly provided for in the Constitution and By-Laws, the Annual General Meeting may in its discretion exercise all the powers of the association.

WFTO is a not-for-profit, voluntary, membership association.

### Article I – NAME AND PLACE

The association is named: World Fair Trade Organization, hereafter named by its abbreviation WFTO. WFTO according to its constitution is registered in Amsterdam.

### Article II – DURATION

WFTO was entered into for an indefinite period of time.

### Article III – OBJECTIVES

WFTO aims to improve the livelihoods of marginalized producers and workers, especially in the South.

WFTO aims to change unfair structures of international trade, mainly by means of Fair Trade, to improve and co-ordinate the co-operation of its member organizations and to promote the interests of and provide services to its member organizations and individuals.

### Article IV – MEANS

WFTO will achieve its objectives through its regional and national Fair Trade branches, its member organizations and individuals. It will not establish independent executive functions, apart from its agreed committees and the Secretariat.

WFTO reaches its objectives by:

1. Monitoring the compliance of its members with the WFTO Fair Trade Principles and ensuring that all registered members meet the requirements of the WFTO Fair Trade Standard;
2. Providing a WFTO Product label for the use of registered trading FTOs;
3. Promoting, stimulating and enabling co-operation and exchange of information between its members in the fields of marketing, market research, product development, campaigning, et cetera;
4. Co-ordinating international campaigns, initiated or decided on by the Annual General Meeting;
5. Promoting, stimulating and enabling co-operation in the field of marketing of goods and commodities from member organizations, especially in the South.
6. Promoting, stimulating and enabling the financing of Fair Trade and marketing, product development et cetera;
7. Issuing a periodical newsletter and/or e-mail update;
8. Organizing and convening a conference in combination with the Annual General Meeting;
9. All other activities decided on by the Annual General Meeting or the Board.

### Article V – MEMBERS, PROVISIONAL MEMBERS AND ASSOCIATES

WFTO consists of (registered) members, provisional members and associates who:

1. Co-operate with marginalized producers and farmers , especially in the South, on the basis of justice and solidarity aimed at improving living conditions in the South mainly by means of promoting trade in products and services from, within and between countries in the South;
2. Provide information when selling products, thus making people more aware of unfair trading structures;
3. Campaign for more just trading conditions;
4. Reflect in their own structures a commitment to justice, fair employment, public accountability, progressive working practices, equal gender balance and abolition of child labour.
5. Members and provisional members are required to be members of a WFTO Regional Chapter and, if it exists, a national/local Fair Trade Network recognized as such by WFTO.

#### Members

1. Fair Trading Organizations:  
All companies, partnerships, co-partnerships and other legal bodies as determined by the legal provisions of the country of the member concerned that are directly engaged in Fair Trade whether this be producers or northern or southern based FTOs and whether that trade be south-north, south-south or north-south, for whom Fair Trade is the main activity.
2. Fair Trade Network Organizations:  
Legal entities whose primary function is to serve as national or international associations of Fair Trade producers and/or Fair Trade Organizations.
3. Fair Trade Support Organizations:  
Legal entities whose primary mission is to promote Fair Trade through provision of technical, financial, business advisory or other services to Fair Trade producers and/or Fair Trade Organizations.

In order to become a member, all organizations have to comply with the WFTO Guarantee System. The requirements of the WFTO Guarantee System are different for trading and non trading organizations.

#### Provisional members

Organizations who have been approved for provisional membership, but who have not undergone the monitoring audit yet and who are not registered members. Also, members who have been demoted to provisional membership by the Board according to Article IX- because they did not fulfill their monitoring obligations and/or were found to be non compliant with the WFTO Standard through the processes of the WFTO Guarantee System.

#### Associates

1. Donor organizations and national or international agencies that support or campaign for more just trading conditions.
2. Individual Associates:  
Scholars, writers, reporters, service clubs and individuals who are interested in learning about and in promoting Fair Trade.
3. Honorary Members:  
Individuals who have special skills in trade, social science, culture or human rights, or who have contributed to the growth of Fair Trade and have gained international recognition.

The Annual General Meeting determines the annual fee to be paid by members, provisional members and associates. The determination of the fee will take place at least two months before the start of the WFTO year to which the fee applies.

#### **Article VI – ADMISSION**

Admission of members, provisional members and associates will take place according to the regulations stipulated in the Membership policy.

1. Membership commences on the day on which membership dues have been received by the Secretariat. The Board may establish a pro rata fee for the year in which new provisional members or associates are approved.

2. Honorary membership is given at the discretion of the Annual General Meeting.
3. The Secretariat keeps a register in which the names and addresses of all members, provisional members and associates are recorded.

**Article VII – MEMBER, PROVISIONAL MEMBER AND ASSOCIATE RIGHTS, PRIVILEGES AND RESTRICTIONS**

1. (Registered) Members have the right to:
  - 1.1. Use the WFTO Product label following the approval of their registration by the WFTO Board and once they have signed a contract with WFTO on how the Product label may be used.
  - 1.2. Use the WFTO logo and publicise their membership of WFTO;
  - 1.3. Actively participate in all activities of WFTO;
  - 1.4. Receive all mailings from the Secretariat;
  - 1.5. Stand for nomination for, and if elected serve on, the Board of Directors
  - 1.6. Serve on (sub)-committees;
  - 1.7. Attend scheduled international conferences and regional meetings;
  - 1.8. Attend the Annual General Meeting, and the business sessions preceding it, with authority to speak and to put forward resolutions;
  - 1.9. Vote in person or by proxy at the Annual General Meeting;
    - 1.9.1. Each member organization or individual that has not been suspended has one vote.
    - 1.9.2. The Secretary of the Board must receive from each member organization or individual present at the meeting a letter identifying that organization's nominated representative authorised to cast the member's (member organization's) vote.
    - 1.9.3. A member who cannot attend an Annual General Meeting may authorise another member to cast their proxy vote, taking into account that casting an electronic vote the Secretary is allowed to cast the members' proxy vote.  
Proxy voting take place:
      - a. by registering a copy of this proxy with the Secretary of the Board;
      - b. by an electronic voting system prior to the AGM which the Secretary of the Board is allowed to cast the members' proxy vote in accordance to the result of the electronic voting system.
    - 1.9.4. The Secretary and the five regionally elected Board Directors are authorised to cast multiple proxy votes.
    - 1.9.5. The Secretary must confirm all members not physically present or voting by proxy have received voting information within the stipulated timeframe and have access to cast their vote electronically.
    - 1.9.6. Each member may carry as many proxy votes as the By-laws allow.
2. Provisional members and associates have the right to:
  - 2.1. Participate in WFTO activities;
  - 2.2. Receive all mailings from the Secretariat;
  - 2.3. Serve on (sub)-committees;
  - 2.4. Attend regional meetings and scheduled international conferences;
  - 2.5. Attend Annual General Meetings.
3. Provisional members and associates are restricted from:
  - 3.1. Using the WFTO Product label.
  - 3.2. Using the WFTO logo in any form without the permission of the Secretariat;
  - 3.3. Serving on the Board;
  - 3.4. Speaking or voting at the Annual General Meeting.

## **Article VIII – MEMBER, PROVISIONAL MEMBER AND ASSOCIATE OBLIGATIONS**

1. Each (registered) member must file with the Secretariat:
  - 1.1. A copy of their official annual accounts within ten (10) months of the close of its fiscal/financial year, and –if the accounts are audited– the auditors report.
  - 1.2. All documents relating to monitoring obligations of members as stipulated in the WFTO Guarantee System.
2. Members, provisional members and associates are obliged to pay an annual fee, as determined by the Annual General Meeting.
  - 2.1. Payment is due within thirty (30) days of receipt of the invoice.
  - 2.2. A member, provisional member or associate will be suspended with no further privileges or mailings if the annual membership fee has not been paid three (3) months after invoicing.
  - 2.3. Participation rights, including all back mailings, will be automatically restored on payment of the sum due prior to the end of the calendar year.
  - 2.4. At year end, the membership of all such suspended members, provisional members and associates of WFTO will be terminated by WFTO, unless they have submitted a formal letter to the Secretariat promising payment of the arrears of fees not later than three (3) months into the new financial year. In order to be reinstated, an excluded member must reapply according to the procedures outlined in Article VI.
3. The Secretariat must be informed immediately in writing of any change in contact details of the member, provisional member or associate.

## **Article IX – TERMINATION OF MEMBERSHIP AND SUSPENSION**

The membership of a member, provisional member or associate terminates:

1. Upon receiving a written resignation of membership by the Secretariat.
2. By termination by WFTO, which takes place by the Board, for the following reason:
  - 2.1. If the member, provisional member or associate, being a legal form of organization, is dissolved due to bankruptcy or other causes.
  - 2.2. At year end due to non-payment of the annual fee (suspended member, provisional member or associate) unless a letter of promise to pay has been written as indicated in Article VIII 2.4 above.
  - 2.3. If, twelve months after the end of its fiscal year, it has failed to submit its official annual accounts.
  - 2.4. If, after due course of the sanctions process, a member or provisional member did not fulfill the monitoring obligations as specified in the WFTO Guarantee System Handbook and/or was found to be non compliant with the WFTO Standard and in breach of the WFTO Principles of Fair Trade.
  - 2.5. If a member or provisional member refuses or unnecessarily delays the monitoring audit process or fails to cooperate during an investigation of a complaint.
  - 2.6. The Board may suspend the member as part of the Sanctions process to allow corrective measures to be taken by the FTO.
3. By expulsion by the Board for the following reason:
  - 3.1. When a member, provisional member or associate acts in conflict with the constitution, regulations or resolutions of the association, or damages the association in an unreasonable way.
  - 3.2. The member, provisional member or associate will be notified in writing (by registered mail where applicable or by other secure communication) of an impending investigation and possible exclusion.
  - 3.3. The Board may suspend the member as part of the Sanctions process to allow corrective measures to be taken by the FTO, provisional member or associate.
  - 3.4. The member, provisional member or associate will be notified in writing (by registered mail where applicable or by other secure communication) of this suspension, stating the reason(s) for the suspension.

- 3.5. On the basis of this announcement, the suspended member, provisional member or associate may resign the membership from WFTO or resort to the appeals process as outlined in the WFTO Guarantee System Appeals process.
- 3.6. Should the suspended member, provisional member or associate neither resign nor appeal within a three month period, the membership will be deemed to have been cancelled by WFTO after the expiration of the mentioned period of three months.

#### **Article X – ANNUAL GENERAL MEETING**

1. Every year there shall be an Annual General Meeting (AGM) of WFTO.
2. The AGM shall be called by the President of the Board or Secretary as approved by the Board, with notice to members at least four (4) weeks prior to the day of convention. This notice may be sent electronically.
3. Further the Board is obliged to convene a general meeting on a term no longer than four weeks on the written request of at least such a number of members as is authorised to cast one tenth of the votes.  
If the request is not fulfilled within fourteen days, the requestors are entitled themselves to convene in the way prescribed in item 2 above.
4. The AGM shall be conducted according to the By-Laws of WFTO.
5. A specific action taken by the AGM is not binding on the governing bodies of member and associate organizations and individuals if that action infringes the integrity of a member or causes the organization or its representative(s) to act in a manner contrary to its own articles of association.
6. Minutes of the Board meetings and the AGM will normally be recorded by the Secretariat and approved by the Board Secretary. Copies of minutes will be distributed to all members, provisional members and associates immediately after approval by the Board's Secretary. Minutes will be presented at the next meeting for final approval. The Secretariat will maintain a Book of Minutes containing minutes of all official meetings.
7. The following have access to the AGM:
  - 7.1. Representatives of members.  
One (1) representative of each member organization or individual, authorised in writing by the member, may vote.
  - 7.2. Provisional members and associates may attend the AGM but have neither speaking nor voting privileges.
  - 7.3. Secretariat staff who may speak, but who may not vote, unless otherwise qualified as a member or representing a member organization.
  - 7.4. Other persons by written invitation from the Board but who will not be entitled to speak or vote.

#### **Article XI – BOARD OF DIRECTORS**

The Board of Directors is responsible for the management of WFTOs activities including the AGMs and biennial conferences and may, for such meetings, co-opt members and/or delegate defined areas of responsibility. The President and Board Directors are elected for four (4) year staggered terms resulting in a turnover of about one-half of the Board at each scheduled international Conference. A person may serve a maximum of two (2) consecutive terms for a total of eight (8) years. It is possible for Board members to be elected at AGMs to fill a gap if someone leaves between conferences. In this case the maximum would be less than four (4) or eight (8) years.

1. The Board is composed of a minimum of five (5) and a maximum of eleven (11) Directors.
2. Five (5) Directors of the Board are nominated by the WFTO regions. Each WFTO region – Asia, Africa, Latin America, Europe and North-America & the Pacific Rim – nominates one Director. The AGM elects these five (5) directors.
3. The President and three (3) Directors of the Board are elected by the Annual General Meeting. Only current or past officers or staff persons of an WFTO member, or persons serving in a

- significant way as a volunteer in WFTO, are eligible to stand for election. The election is governed by the bylaws.
4. The Board elects its own Vice-President, Secretary and Treasurer from among its Directors for a period of two (2) years. One (1) Director can hold a maximum of two (2) posts if no other Director is a candidate for these functions.
  5. The Board has authority to co-opt additional Directors such that the total Board size does not exceed eleven (11) Directors:
    - 5.1. Based on budget restrictions;
    - 5.2. To achieve gender and geographical balance;
    - 5.3. To replace a Director who resigned, died, or was part of an organization whose membership was suspended;
    - 5.4. Co-opted Directors have to stand down at the next AGM to allow for the possibility of election.
  6. Board Directors are elected to represent the interests of all WFTO members, and not just the interests of their own particular organization, region or type of activity.
    - 6.1 Regional and country chairs cannot combine these roles with being global WFTO directors.
    - 6.2. A Board Director may be removed from office by resolution of the Annual General Meeting provided that four (4) weeks notice is given of the intention to consider the resolution, or upon suspension of the WFTO member to which the Board Director is attached.
  7. The Board meets as often as the President and Secretary find advisable based on the activity and as the budget allows.
    - 7.1. The President and Chief Executive are responsible for carrying out the workplan within the approved budget. Any expenses beyond budget require approval of a majority of the Board.
  8. The Chief Executive, the Regional Program Coordinators and Secretariat staff attend, and speak at, Board meetings but are not voting members. They carry defined levels of responsibility for implementing actions decided by the Board.
  9. The Board usually acts by consensus. A simple majority will determine the action when there are significant differences of opinion.
  10. The minutes of Board meetings are recorded by the Secretariat staff and approved by the Secretary before distribution. Minutes are presented at the next Board meeting for approval.
  11. The Board may appoint sub-committees as budgets allow to complete specific tasks within a given time.

#### **Article XII - SECRETARIAT**

1. The Board is authorised to establish a Secretariat, employ staff, and set terms and conditions of employment. Annual budgets for the Secretariat and any major changes in location must be approved by the AGM.
2. No staff member of the Secretariat is eligible to serve on the Board.
3. There shall be an Chief Executive of WFTO.
4. The Chief Executive of the Secretariat will attend all Board meetings and AGMs except when his/her employment conditions are under discussion.

#### **Article XIII - FUNDS**

The funds of WFTO consist of:

1. Annual membership fees and contributions;
2. Grants;
3. Other contributions.

The WFTO fiscal year is the calendar year.

#### **Article XIV - AMENDMENTS AND DISSOLUTION**

1. The Constitution can be amended by a two-thirds majority of the votes cast at an AGM based on prior notification of the amendment being given with the calling notice.  
An amendment of the constitution does not take effect until a notary deed of it has been drafted up.
2. WFTO can only be dissolved by a two-thirds majority of the cast votes at an AGM where a minimum of three-quarters of all members are present or represented by proxy. Prior notice on dissolving WFTO must have been given with the calling notice.
3. In case of dissolution, the assets of WFTO will be remitted to another not-for-profit organization chosen on the basis of its leading principle.

#### **Article XV - FINAL ARTICLE**

The working language of WFTO is English. The original language of this Constitution is Dutch. The Constitution will be translated into English, French and Spanish.