



GOVERNANCE HANDBOOK

APRIL 2024



RESPONSIBLE
JEWELLERY
COUNCIL

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ABOUT THE RJC

The Responsible Jewellery Council (RJC or Council) was founded in 2005 as a not-for-profit organisation with the aim of ensuring consumer confidence in the jewellery and watch industry. The resulting RJC certification standards have become the industry’s recognised standards for due diligence and supply chain integrity.

The RJC certification system enables participating member companies to demonstrate conformance to the highest global ethical, social, human rights and environmental business practices.

The RJC system is representative of industry best practice and complies with the ISEAL Code of Good Practice for Sustainability Systems.

The Responsible Jewellery Council has the following vision, mission and values..

MISSION

We strive to be the recognized standards and certification organization for supply chain integrity and sustainability in the global jewelry and watch industry.

VISION

Our vision is a responsible world-wide supply chain that promotes trust in the global jewelry and watch industry.

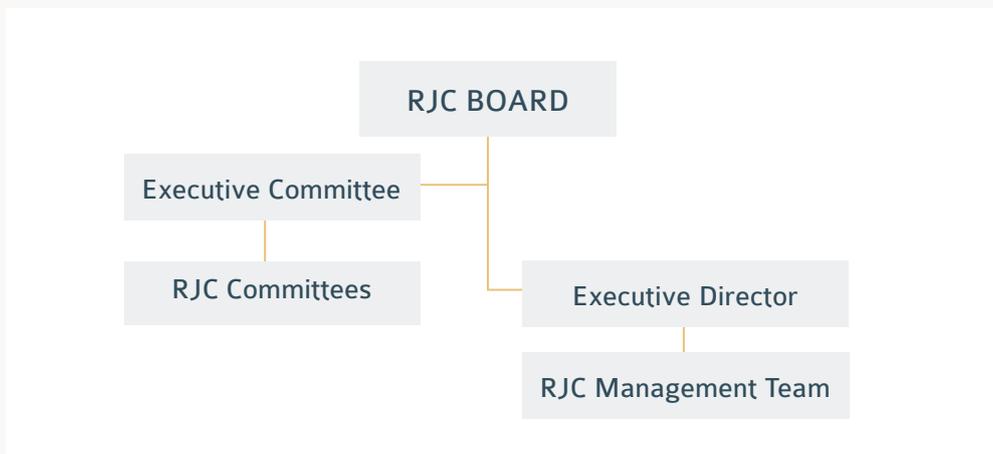
VALUES

These values guide our decisions and actions:

- We are respectful and fair
- We practice honesty, integrity, and accountability
- We engage in open collaboration

GOVERNANCE STRUCTURE

The governance structure of the RJC is:



The current members of the Board and the committee chairs can be found on the RJC website at <https://www.responsiblejewellery.com/about-rjc/governance>

ABOUT THIS HANDBOOK

This handbook provides guidance as to how the RJC Memorandum of Association and the Articles of Association are implemented, and how the Board and its committees and the Council are managed.

The RJC reserves the right to revise this handbook when necessary. The version posted on the RJC website supersedes all other versions.

To verify this document is current, please visit: www.responsiblejewellery.com

DISCLAIMER

No guarantee, warranty or representation is made as to the accuracy or completeness of this document and other documents or information sources referenced in this document. If there is any discrepancy between this document and the Articles of Association, then the Articles of Association will take precedence. Use of this document is not intended to and does not replace, contravene or otherwise alter the requirements of any applicable national, state or local governmental statutes, laws, regulations, ordinances or other requirements regarding the matters included herein.

Use of this document by non-members is entirely voluntary and is neither intended nor does it create, establish or recognise any legally enforceable obligations or rights against the RJC and/or its members or signatories. This document does not create, establish or recognise any legally enforceable obligations of the RJC and/or its members or signatories to non-members. Non-members shall have no legal cause of action against the RJC and/or its members or signatories for failure to comply with this document.

INQUIRIES OR FEEDBACK

The RJC welcomes feedback on this document. Please contact the Responsible Jewellery Council by email, telephone or post:

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The Responsible Jewellery Council is a trading name of the Council for Responsible Jewellery Practices Ltd, which is registered in England and Wales with company number 05449042.

PURPOSE AND SCOPE

The Governance Handbook has been adopted by the Board of Directors from April 2024. It provides:

- direction to the Council on the responsibilities of the Board and the establishment, composition and terms of reference for committees of the Council;
- the criteria for membership of the Council;
- member subscriptions;
- disciplinary action against members;
- election or appointment of directors of the Council; and
- requirements for proceedings of the Board that are all governed by the Articles of Association and the composition and terms of reference of the committees.

INTRODUCTION

The Memorandum of Association and the Articles of Association are the founding documents of the Council.

- The Memorandum of Association records the incorporation of the Council as a private company registered in England and Wales under the UK Companies Act and establishes the Council's objectives and powers.
- The Articles of Association (the Articles) provide details about the Council's internal management, including the powers and responsibilities of the Board.

The purpose of the handbook is to provide guidance on how the Council is managed. If there is any variation between this handbook and the Memorandum of Association or the Articles, then the Memorandum of Association and the Articles will take precedence.

The RJC seeks to ensure transparent, representative and appropriate governance for its entire membership. This handbook preserves the RJC's philosophy of seeking the consensus of all participants in the decisions of the various RJC committees. However, it provides for mechanisms that can allow decisions to be made when consensus cannot be achieved.

ANTITRUST POLICY AND RULES

The RJC is committed to complying with all relevant antitrust and competition laws and regulations and, to that end, has adopted an antitrust policy statement, compliance with which is a condition of continued RJC membership. Failure to abide by these laws can potentially have extremely serious consequences for the RJC and its members, including heavy fines and, in some jurisdictions, imprisonment for individuals. Members are therefore asked to have due regard to this policy in respect of all RJC activity.

MEMBERSHIP AND OTHER AFFILIATIONS

Membership is divided into commercial members and association members.

Commercial membership is open to those persons or organisations that are actively involved for commercial reasons in the industry. Commercial members are divided into member forums each representing a particular stage or activity within the jewellery supply chain. Upon joining the RJC, applicants achieve uncertified RJC membership status until their first certification audit takes place and their first certificate is issued. Resigned members applying to return shall adhere to the relevant resigned members rules.

Applicants for commercial membership of the RJC must complete all required details and supply all required documents to allow the RJC Membership team to complete due diligence with respect to the applicant entities and individuals. The application document is completed in digital format and is called the Commercial Membership Application Form and Membership Agreement. The Membership Agreement constitutes a legal agreement between the applicant and the RJC. The application procedure is explained by the Commercial Membership Application Guidance.

Association membership is open to any trade association representing persons actively involved for commercial reasons in the industry. Association members shall be members of the Council in their own right as an association with the full right to attend and vote at relevant meetings, but such membership shall not confer membership of the Council or any rights or obligations in relation thereto on the individual members of such trade association.

Applicants for association membership must complete all required details and supply the required documents, using the application document in digital format – the Association Application Form and Membership Agreement - available on the RJC website.

Other affiliations are as follows.

Supporter status is open at the discretion of the Board. A supporter is an organisation that is not part of the jewellery supply chain from mine to retail, but which seeks to support the RJC's work through financial and/or in-kind support. Supporters of the RJC play the very important role of extending the outreach of the RJC through disseminating information about the Council and its activities to their respective contacts and supporting its key activities. Supporter eligibility requirements are those that don't meet the commercial or association membership requirements, are not part of the jewellery supply chain from mine to retail and are exempt from the role of consultant, advisor, third-party auditor or any other similar entity.

Stakeholder status is open, at the discretion of the Board, to governmental and non-governmental organisations and other interested persons that wish to enter into dialogue with the Council and to assist the Council in attaining its objectives. Stakeholders shall be entitled to make their views known to the Council through co-option onto a relevant committee or otherwise as the Board or Executive Committee may decide from time to time but shall, otherwise, be entitled to attend meetings of the Council or of its committees by invitation only and shall not be entitled to vote at any such meeting.

Every member is required to pay an annual subscription at such times and according to such scales as determined by the Board. The Board has the right from time to time to make additional calls on the commercial members for such amount and according to such scales as they deem necessary to fund expenditure in relation to specific projects implemented by the Council.

Every member will, while it is a member and after its membership comes to an end, keep confidential all material with which it comes into contact through its position as a member save to the extent that disclosure of such material is required by law or by the requirements of any court of competent jurisdiction or the rules of any recognised stock exchange or relevant regulatory authority.

Each member who provides assistance to the Council agrees that any materials created solely in the course of providing assistance to the Council shall vest in the Council, and the Council is not bound to give a credit of any kind or nature to the authors in such material.

BOARD OF DIRECTORS

The overall management of the Council is entrusted to the Board of the Council, which comprises the directors. In accordance with the Articles, the Board is entrusted with the ultimate responsibility for the overall management of the Council. However, the general management and supervision of the Council is delegated to the Executive Committee. The Board appoints the Executive Director, and determines the Executive Director's powers, duties and responsibilities.

Directors are appointed by the members of the Council, or elected by member forums, or appointed by the Board as additional directors. Directors need not be members of the Council. However, uncertified members are discouraged from being directors or officers of the Council in order to safeguard the reputation of the Council.

Directors have specific duties and responsibilities, a number of which are very briefly set out below. Directors also have a duty to attend duly convened Board meetings. It is understood that it is not always possible to do so. However, if a member knows he or she will not be able to commit the time necessary to attend regularly, that member should not accept the appointment, or if having been appointed fails to attend regularly, then the Board reserves the right to ask the director to stand down so somebody who is able to commit the time can take his or her place.

Directors must attend an annual director's duties training programme provided by an independent corporate governance specialist. The programme is designed to ensure that RJC directors keep up to date with respect to their statutory accountabilities under the UK Companies Act, their liabilities and the principles of good corporate governance. The training also includes the core functions of the RJC, in particular: standards and standards development, auditing and certification.

BOARD OF DIRECTORS GENERAL DUTIES

- To comply with the Council's constitution.
- To act in good faith, or in a way that is most likely to promote the success of the Council for the benefit of its members as a whole, with regard to the likely consequences of any decision in the long term; the interests of the Council's employees; the need to foster the Council's business relationships with suppliers, customers and other stakeholders; and the impact of the Council's operations on the community and the environment.
- To have regard for the desirability of the Council in maintaining a reputation for high-standard business conduct, and the need to act fairly as between members of the Council.
- To exercise independent judgement, that is, not to subordinate the director's power to the will of others. This does not prevent directors from relying on advice, so long as they exercise their own judgement on whether or not to follow it.
- To exercise reasonable care, skill and diligence. This requires a director to be diligent, careful and well informed about the Council's affairs. If a director has particular knowledge, skill or experience relevant to his or her function, expectations regarding what is 'reasonable' will be judged accordingly.
- To avoid conflicts (or possible conflicts) between the interests of the director and those of the Council.
- Where a matter is in potential or actual conflict between the interests of a director and those of the Council, the director must declare the conflict and recuse themselves from any relevant decision.
- To make decisions in the interest of all members of the Council.
- Not to accept benefits from third parties by reason of being a director or doing anything as director.
- To declare any interest in a proposed transaction or arrangement. The declaration must be made before the transaction is entered into, and the declaration applies to indirect interests as well as direct interests.
- To consider or act in the interests of creditors (particularly in times of threatened insolvency).
- To maintain confidentiality of the Council's affairs.

Each commercial member forum and association member forum is able to elect a maximum of three directors. Directors elected as member forum directors are elected in their personal capacity and not as a representative of any member by whom they are employed, and therefore members do not have the right to nominate a replacement if a director vacates office for any reason. Directors automatically vacate office if they are either no longer a member themselves or if they are no longer employed by a member within the relevant member forum. Although, they may stand for re-election.

One member forum director from each member forum retires at each annual general meeting and the vacancies are filled by one member forum director elected by each member forum. The directors to retire by rotation are those who have been in office longest since their last appointment or reappointment. No director is eligible to remain a director for more than nine consecutive years unless specifically agreed by the Board.

Directors are entitled to attend all Executive Committee meetings, other committee meetings, general meetings and meetings of any subcommittee.

The Board may appoint a person who is willing to act as a director either to fill a vacancy or as an additional director provided that the number of directors doesn't exceed the maximum number permitted.

The Board may appoint one or more of the directors to any executive office in the employment of the Council or provide for the provision by them of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the Board determine, and they may remunerate any such director for these services as they think fit. Any appointment of a director to an executive office shall terminate if she or he ceases to be a director.

The directors may regulate their proceedings as they think fit. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed is five persons. Unless otherwise decided by the Board, any decision shall be taken by a simple majority. In the case of any equality, the chair has a casting vote. The Board makes the final decision on approving new or revised RJC standards and certification models. The Board is also responsible for the appointment of external financial auditors and receipt of the audit report.

Alternate directors may also be appointed. An alternate director is a person who is appointed to act as a director as a substitute for an existing director. An alternate director generally has the same powers as a director to attend, speak and vote at meetings as the principal director would have had, had the alternate not been appointed. Any appointment or removal of an alternate director shall be by notice to the Council signed by the director making or revoking the appointment.

The maximum number of directors (excluding any director sitting ex officio) is 35.

COMPLAINTS MECHANISM

A comprehensive process relating to the examination of complaints concerning the behaviour of members and/or audit firm has been instituted and details are available on the RJC website at: <https://www.responsiblejewellery.com/>.

In summary, if any member and/or audit firm is accused of failing to a material degree to comply with any minimum standards of behaviour set by the Board from time to time with regard to compliance with the principles, which include but are not limited to the following:

- failing to comply with the RJC standards, RJC member certification system and/or approval criteria;
- failing to co-operate with an external monitoring body approved / nominated by the Council;
- committing any breach of the Council's policies;
- knowingly providing false information to the Council or any external monitoring body approved / nominated by the Council;
- acting in a manner that breaches or may cause the Council to be in material breach of the antitrust policy and rules adopted by the Council from time to time;
- failing to comply with the rules adopted by the RJC for the use of its logo and intellectual property;
- failing to comply with the Complaints Mechanism;
- failing to follow or not completing a corrective action plan as a result of an adverse ruling through the Complaints Mechanism;
- otherwise engaging in any dishonourable, improper or unprofessional conduct or conduct that might bring the Council into disrepute,

The Executive Committee, if after investigation and based upon a recommendation from the Executive Director during the course of their review, concludes that the continued participation of the member or audit firm concerned may cause significant damage to the interests of the Council or bring the Council into material disrepute, the Executive Committee may suspend the rights of membership of the member.

A Board meeting will be convened to determine the matter and to pass a resolution to take disciplinary action against the accused member. The voting shall be by secret ballot, and upon the passing of a resolution to expel or suspend an accused member, that member shall immediately forfeit its interest and privileges in the Council and will cease to be entitled to any benefits of membership but will remain liable to pay any money outstanding at the date of expulsion or suspension.

DISCIPLINARY ACTION AGAINST MEMBERS

If any Member shall be accused of:

- failing to comply with any minimum standards of behaviour set by the Board; or
- otherwise engaging in any dishonourable, improper or unprofessional conduct, or being engaged in conduct or party or subject to measures, practices, or acts against the best interests of the organisation, arrangements or other circumstances (including, without limitation, being designated under Sanctions or acting in breach or violation of Sanctions) which might bring the Council into disrepute or result in reputational harm to the Council, the member may be disciplined including suspension or expulsion from membership.

Rights of Appeal

- o Any person whose membership application was rejected by the Council or any Member subject to Disciplinary Action has the right to refer any dispute arising out of or in connection with his or its unsuccessful membership application or Disciplinary Action or other termination or suspension of membership (as the case may be) for final resolution by arbitration under the rules of the Chartered Institute of Arbitrators from time to time (“the Rules”), and these Rules are deemed to be incorporated by reference into this Article. The arbitral tribunal shall consist of a sole arbitrator to be appointed by the President for the time being of the Chartered Institute of Arbitrators.

Sanctions

- o Notwithstanding the Disciplinary Action procedure, in order for the Council to comply with all applicable laws and regulations, or to avoid assuming an unacceptable level of risk in relation to the potential breach or violation of Sanctions, where a Member is designated under Sanctions, or carries on business activities with sanctioned persons in breach or violation of applicable Sanctions or otherwise acts in breach or violation of applicable Sanctions, the Board may, in its absolute discretion suspend or terminate the Member’s membership.

THE OFFICERS AND THE EXECUTIVE DIRECTOR

The officers of the Council consist of the chair, vice chair, honorary treasurer and honorary secretary.

Officers serve a three-year term and are elected at the annual general meeting by a simple majority decided by secret ballot. However, the Board may approve an extension of term, at its discretion up to a maximum of three terms of office. The chair may serve one additional term only – a maximum of six years – at the discretion of the Board.

Sitting officers are eligible for re-election unless re-election would result in the same person being chair for more than six consecutive years.

The Executive Director reports to the Board through the Executive Committee. The Executive Director is appointed by the Board to be responsible for the day-to-day administration of the Council; only the Board and the Executive Committee have authority to direct the Executive Director. The Executive Director remains accountable to the Executive Committee and Board, as set out above.

No person can be elected as chair other than a person whose nomination has been approved by the Board and unless she or he receives valid votes from not less than one half of the members entitled to vote and voting in the elections.

Unless otherwise agreed by the Board, only persons who are employees or representatives of a commercial or association member shall be entitled to be officers. Officers are elected in their personal capacity and not as representatives of a member, and if an officer vacates office for any reason during his or her term, the vacancy shall be filled by the Board and not by nomination by the member concerned. In the event of an officer ceasing to be an employee or representative of the nominating member, that employee or representative shall not be required to vacate the office to which he or she was elected if he or she is employed (or offered employment to take effect following any restriction period) by or appointed as representative by another member.

Each officer shall, if not already a director, become a director of the Council ex officio for so long as she or he is an officer

In the event of an officer vacancy occurring between one annual general meeting and another, the Board may appoint an employee or representative of a member to fill the vacancy; but the person so appointed shall hold office only until the next annual general meeting.

Notice of the annual general meeting shall include a list of all nominations for the above offices.

EXECUTIVE DIRECTOR: ROLE & RESPONSIBILITIES

The Executive Director is responsible for the strategic direction and overseeing the day-to-day management and operations of the RJC. The Executive Director reports to the Board through the Executive Committee.

Principal responsibilities of the Executive Director include the following:

- Providing timely strategic counsel to the Chair, the Executive Committee and the Board;
- Serve as a member of the Executive Committee;
- Ensuring compliance with RJC values and governance requirements;
- Accountable for the development of RJC standards;
- Creating, developing and implementing the strategic vision, objectives and direction of the RJC, with the guidance of the Board;
- Executing and ensuring compliance with RJC internal policies and procedures;
- Ensuring best practice is adopted during on-boarding, recruitment, retention management, promotions, salary reviews and bonus awards for full time employees;
- Holding the ultimate decision-making authority on both the recruitment of employees and consultants and the termination of employee contracts and consultancy agreements within the approved financial budget;
- Reviewing, overseeing and managing the annual budget;
- Engaging services of specialist consultants;
- Creating developing and managing existing and new relationships with external stakeholders; and
- Being the official spokesperson and key external representative of the RJC in consultation with The Executive Committee.

OFFICERS: ROLE QUALIFICATIONS & RESPONSIBILITIES

Officers Role Requirements – General

The RJC is a Company registered in England & Wales. All RJC Board Members are accountable for the governance of the RJC generally and in accordance with the UK Companies Act. This accountability is especially important for RJC Officers. This guidance is intended to ensure that those who serve in the capacity of an Officer of the RJC are fully conversant with their specific responsibilities.

The Officers of the RJC consist of the Chair, Vice Chair, Honorary Treasurer and Honorary Secretary and are elected for a three year term at the Annual General Meeting. Each Officer duly elected also becomes a director of the RJC, for so long as they are an Officer and will also be members of the Executive Committee. Therefore, it is important that members nominating for the role of an Officer fully understand the level of dedication required and responsibility assumed, as these are positions demand considerable time commitment and legal accountability. In addition to the specific accountabilities of each Officer role, Officers also have responsibilities as directors of the Council. Officers are also expected to act as ambassadors for the Council.

Chair

Qualifications

The Chair of the RJC should ideally be a senior executive of a current RJC member company or an office-bearer of an RJC trade association member. Any nomination must be supported by and approved by the RJC Board of Directors.

Role Responsibilities

The Chair's role responsibilities include:

Chairing all:

- RJC members meetings;
- Board of Directors meetings;
- Providing leadership to the Board
- Responsibility for the Board's development
- Ensuring that the Board receives accurate and timely information
- Planning and conducting Board meetings effectively
- Supporting the Executive Director

The Chair is also ultimately responsible, together with other EXCO members, for the legal compliance and the operational supervision, as agreed by the Board, of the RJC.

Vice Chair

Qualifications

The Vice Chair of the RJC should ideally be a senior executive of a current RJC member company or an office-bearer of an RJC trade association member.

Role Responsibilities

The Vice Chair is responsible, in association with the Chair, for ensuring the correct and legal compliance of the RJC. Those responsibilities include deputising for the chair and fulfilling the powers and duties of the Chair in the absence of the Chair, including chairing meetings, assisting the Chair in organising the work program of the Board and Committees, and ensuring that they are carried out effectively, and supporting the Chair generally.

Honorary Treasurer

Qualifications

The position of Honorary Treasurer carries significant responsibility in terms of time, expertise as well as financial, and legal accountability. The Honorary Treasurer must have financial or business management qualifications and significant experience in financial administration.

Role responsibilities

The Honorary Treasurer is effectively the Chief Financial Officer for the RJC. Responsibilities include the following:

- o Oversight of the Annual Financial Statements;
- o Presentation of the Annual Financial Statements to the AGM;
- o Financial reporting in compliance with the UK Companies Act and other relevant legislation;
- o Oversight of RJC financial administration;
- o Preparation of regular financial reports to the RJC ExCo and Board.
- o Oversight of the preparation and presentation of budgets, financial planning, banking and investment policy

Honorary Secretary

Qualifications

The Honorary Secretary is effectively the Company Secretary for the RJC. This position carries legal accountability under the UK Companies Act and other relevant legislation. The Honorary Secretary must have legal qualifications or formal company secretary qualifications, and understand the requirements of the UK Companies Act.

Role responsibilities

The responsibilities of the Honorary Secretary include, but are not necessarily limited to:

- o Reporting to Companies House with respect to, inter alia, the Annual Financial Statements and changes to RJC directors;
- o Governance of the board meetings and the AGM including communications to the membership, agenda setting, resolutions, quorum, voting and minutes;
- o Governance of the RJC ExCo, Board and Committees
- o Supporting the Chair
- o Oversight of the statutory books

COMMITTEES OF THE COUNCIL

Committees may be formed from time to time by the Board or the Executive Committee as required. The Board may establish committees of the Board to assist in conducting the business of the Council and the Board or Executive Committee may delegate appropriate powers to enable the necessary function of such powers to committees as it may decide. Accordingly, the Board approves the terms of reference for all committees of the Council. Currently there are three committees of the Council: Executive, Assurance, and Standards. Working groups and subcommittees may also be formed as the Board or the Executive Committee may from time to time decide. Each committee may appoint and delegate powers to one or more subcommittees at its discretion.

The Board may delegate to each of the committees such powers (subject to the control of the Board) as it may from time to time decide. While subject to the overall guidance of the Board in relation to the external policy of the Council, each committee is responsible for the business of the Council within its terms of reference and shall (unless otherwise determined by the Board or the Executive Committee) be entitled to act without prior reference to the Board in relation to those matters. The chair of each committee will report formally to the Board at least annually in a manner and form as determined by the Board from time to time, and which may be in the form of a written report to the membership in the annual report.

The Executive Committee is the committee constituted to provide operational guidance and support to the Executive Director in relation to the day-to-day management of the Council. The members of the Executive Committee are the officers of the Council, the co-chairs of the Standards Committee and any others as may be appointed by the Board. The membership of any other committee is determined by the Executive Committee. Members of committees need not be directors and, if the Executive Committee decides, may include stakeholders and non-members.

The Standards Committee reviews and make recommendations on the design, implementation and continuous improvement of RJC standards, the expansion of RJC standards to include other jewellery products and provide policy advice on the consultation and engagement of stakeholders and stakeholder input during standards development activities. The Committee operates in association with RJC assurance and certification staff.

The Assurance Committee assists in the development of policies and procedures relating to the certification of members and approval of third-party audit firms, and activities that involve the operation of the RJC system. This includes:

- overseeing the framework for approval and training of auditors and quality control procedures for auditors;
- providing guidance with respect to the development and revision of policies, processes and procedures relating to certification of members;
- providing an annual review of the operation of the RJC system; and
- overseeing the RJC's compliance with the ISEAL Code of Good Practice for Sustainability Systems, as relevant to assurance.

RULES FOR COMMITTEES

Unless the Board decides otherwise, the Executive Committee on the recommendations of the Executive Director (which recommendations it need not follow) will appoint the members of the committees (except the industry members of the Standards Committee – see later) and the chair of each committee, subject to final Board approval. The Executive Director's recommendation will be based upon consideration of the subjective criteria for membership as determined by each of the existing chairs of the committees. It is expected that members will be appointed every three years so as to ensure that continuity of membership and experience is maintained. Any member of the Executive Committee or the Board may nominate a chair, and any member may nominate members for committees. The Executive Committee may vary rules and/or procedures for any committee. Appointments of committee members are confirmed by the Board.

In the event of resignations or vacancies due to a lack of nominees, additional calls for nominations and appointments may be conducted at any time. The term for committee members appointed under this method will be coterminous with the original appointments.

If for any reason the number of members of a committee falls below the quorum, a call for nominations and elections shall be held as soon as practicable, with committee members appointed by the Board for the balance of the 12-month period.

Guests of the Assurance Committee or the Standards Committee may be appointed in their personal capacity to support and advise on specific projects or work-streams. Appointed for their specialist expertise, Guests may be invited to attend Committee meetings. Guests do not have decision-making authority.

Assurance Committee – appointment of external members

The Assurance Committee may be assisted by up to two individuals with appropriate professional qualifications who are not senior employees or directors of RJC members, and may be appointed by the Board or the Executive Committee.

Standards Committee

RJC forum members of the Standards Committee are appointed by the Board or Executive Committee from the RJC's major stakeholder sectors to provide a balance of interested parties. Non-industry members of the committee are appointed as outlined below.

Both industry and non-industry committee members shall serve the same term.

All committee members shall be appointed by the Board for a three-year term, subject to reappointment. No committee member shall, unless otherwise agreed by the Board, be eligible to remain a committee member for more than six consecutive years. The appointments of members shall be managed to favour continuity by staggering their terms.

The Board or the Executive Committee appoints to the Standards Committee up to a maximum of 14 non-industry members with technical expertise in the issues being addressed by the RJC. One each of the non-industry members will be from the Alliance for Responsible Mining (ARM) and the Diamond Development Initiative/Resolve (DDI/Resolve), pursuant to the two separate memoranda of understanding between the RJC and these two organisations. Relevant interested parties that could become non-industry members include:

- non-governmental organisations;
- standards-setting organisations with harmonisation interest;
- academic and research institutions;
- auditors; and
- other stakeholders that may be relevant to the Standards Committee work programme such as international institutions, national governments, technical experts, etc.

Individuals are recommended by the Management Team in consultation with the Standards Committee. Nominees will have technical expertise relevant to the review and development of RJC standards, and are appointed for three years. Extensions of term are possible, especially where continuity of advice is important. The Management Team will recommend non-industry members to be considered by the Board for appointment. The timing for appointing new non-industry members shall be the same as for industry members.

Non-industry members are appointed in their personal capacity and not as representatives of any organisation. The exceptions shall be those individuals appointed by the Board to represent ARM and DDI/Resolve, who will represent their organisations.

The committee has two co-chairs, one industry and one non-industry member. Any member of the committee may nominate a co-chair. The Executive Director will recommend co-chairs to the Executive Committee based upon their experience and knowledge of standards across the whole supply chain and their ability to commit to the role. The co-chairs shall serve for three years, subject to re-election for a subsequent three-year term. The co-chair may not be appointed if she or he has been co-chair for the preceding six years, unless in exceptional circumstances as determined by the Board. The terms of each co-chair will be staggered so as to ensure continuity. The co-chairs are neutral with respect to decision-making of the Committee, and must recuse themselves from discussions involving any conflict of interest.

All members of the committee should, at the beginning of each meeting, declare to the committee any potential conflicts of interest (both current and potential future conflicts, including projects for the RJC). The Management Team will review and decide on the best course of action (e.g. exclusion from some discussions). Any potential conflicts of interest that are not declared but otherwise brought to the attention of the RJC will be reviewed with the member in question and then with the Executive Committee for action (e.g. a request to step down from the committee).

Committee members may suggest the establishment of temporary task forces to advise on specific topics as needed. The Management Team will convene task forces, consulting with committee members to define the terms, including the objectives, expertise needs, time frame and reporting lines (e.g. to the Standards Committee or Management Team). Task-force members may include, but are not limited to, committee members.

Table 1 gives a summary of committee requirements.

Committee	Eligible committee members	Forum	Min/max number of members
Executive	1. Officers of the Council 2. Any others appointed by the Board	N/A	N/A
Assurance	1. Chair of Assurance Committee 2. RJC members 3. External experts 4. Guests/observers of the Committee	N/A	3-7 2 external experts
Standards	1. Co-Chairs of Standards Committee 2. RJC members 3. Non-industry members 4. Guests/observers of the Committee	2 members from each member forum with equal number of non-industry members	28 members with a maximum of 14 non-industry members

Table 1: Summary of committee requirements

DUTIES OF COMMITTEE MEMBERS

Committee members have the duty to exercise loyalty to the Council and provide the perspectives of materially affected parties, free of any conflicting interests of a personal or professional/commercial nature or to any other party.

Committee members shall abide by all policies approved by the Board. Policies are available on the RJC website at: www.responsiblejewellery.com/about-us/policies.

Committee members shall make reasonable effort to regularly attend committee meetings, but in any event no less than two per annum. If committee members do not regularly attend committee meetings, the Executive Committee reserves the right to ask them to stand down.

QUORUM

The quorum for all committees, except for the Standards Committee, is three members, including the chair or deputy chair. Due to the size of the Standards Committee, the quorum for this committee is ten, including five industry representatives and five non-industry representatives where at least one of the representatives is one of the co-chairs. However, when voting, the Standards Committee must be balanced between the number of industry and non-industry member votes.

COMMITTEE CHAIR AND SECRETARY

Unless otherwise determined by the Board, each committee shall have its members and chair appointed by the Executive Committee for a period of three years, albeit mindful to safeguard the consistency and experience necessary for the efficient working of each of the committees. Each committee may appoint its own vice chair and a secretary. Any member may nominate persons for committee membership or to act as chair of committees. An external member of a committee is not eligible to be the chair, deputy chair or secretary of a committee other than as co-chair of the Standards Committee. Management shall monitor and keep a register of attendance and advise the Executive Committee if committee members are absent on a persistent basis, in which case the Executive Committee reserves the right to remove somebody as a member of a committee.

COMMITTEE MEETINGS

Committee meetings will be conducted using electronic means such as teleconferences to the extent possible to support broad participation. Committee meetings, other than meetings of the Executive Committee, shall be open to all elected and appointed members of the committee, and their participation in discussion and debate will be encouraged, subject to appropriate confidentiality constraints and practical considerations.

DECISION-MAKING

Committee meetings will be conducted so as to endeavour to reach decisions through the consensus of all participants. Consensus is defined here as general agreement characterised by the absence of sustained opposition to substantial issues by any important stakeholder group: it is not necessarily unanimity. Consensus should be the result of a process seeking to take into account the views of interested parties and reconcile any conflicting arguments (ISO/IEC Guide 2:2004).

To work towards consensus on significant decisions, committee chairs will ensure that all participants in meetings are invited to express their views. Sufficient time to discuss and debate decisions of significance should be allocated. Additional time and/or information may be requested by committee members to help facilitate a consensus outcome.

In the event that a consensus cannot be reached on a decision of significance, a vote will be taken among the committee members. This may be taken during the meeting if a balance of interests is present, otherwise it will be conducted by electronic poll following the meeting. The Executive Director or a delegate will act as the returning officer. The electronic poll will require a quorum of ballots cast and will be deemed to have passed by a simple majority.

Individuals attending meetings who are not Board-appointed members of a committee are not eligible to vote. Committee members are appointed by the Board in their personal capacity. A committee member may assign her or his proxy to another committee member but may not delegate her or his voting authority to a non-committee member.

EXECUTIVE COMMITTEE

Terms of reference

Committee responsibilities and duties

- Administer the general management and operational supervision of the Council.
- Pursuant to the authority of the Board, develop and implement the strategic direction of the Council.
- Monitor the functioning of committees and make recommendations to the Board on the terms of reference of committees.
- Appoint members and the chair of each of the committees having considered the recommendations of the Executive Director.
- Receive and consider recommendations from committees on matters requiring approval by the Board and make recommendations to the Board on those matters.
- The Executive Committee has a duty to refer significant or controversial matters to the Board, ensuring full and frank disclosure of the arguments for and against, allow sufficient time in the agenda for the matter to be considered, and invite a senior member of the RJC staff to explain the issues to the Board.
- Provide guidance and where appropriate assist in the implementation of policies – and the protection of confidential information – processes and procedures relating to the investigation of complaints.
- Administer member disciplinary matters in accordance with the Articles.
- Provide strategic, operational guidance and support to the Executive Director in relation to the day-to-day management of the Council.

Membership

Composition

The officers of the Council, the Executive Director, the co-chairs of the Standards Committee and any others as appointed by the Board shall be the members of the Executive Committee.

Chair and deputy chair

The chair and deputy chair of the Council shall be the chair and deputy chair of the Executive Committee. The Executive Director may chair the Executive Committee, with the agreement of the RJC chair.

Secretary

The honorary secretary to the Council shall be the secretary to the Executive Committee.

Support

Support will be provided by the Executive Director and the employees of the Council as appropriate.

Meetings

At least six meetings shall be held annually. Minutes of meetings will be recorded by the secretary or as appointed by the chair. The quorum shall be a minimum of three members, including the chair or the deputy chair.

ASSURANCE COMMITTEE

Terms of reference

Committee responsibilities and duties

- Provide guidance and where appropriate assist in the development of:
 - policies and procedures relating to the impartiality of activities that involve the operation of the RJC system;
 - criteria for approving audit firms and auditors;
 - terms and conditions to apply to approved audit firms and auditors; and
 - quality control methods and procedures for audit firms and auditors.
- Provide guidance in the management of relationships between the RJC and approved auditors' firms to ensure independence and impartiality.
- Provide technical advice to the Executive Director and the Management Team on matters relating to certification and assurance.
- Provide guidance and where appropriate assist in the development of policies, processes and procedures relating to certification of members, to ensure consistency, quality and impartiality.
- Monitor representations of RJC certification by third parties and recommend courses of action to prevent misrepresentations.
- Monitor complaints related to audit firms, auditors and certification decisions.
- Oversee the RJC's compliance with the ISEAL Assurance Code.
- Conduct, with the support of the Management Team, and/or by a person engaged by the Management Team, an annual review of the impartiality and quality of the certification and approval decision-making processes relating to the operation of the RJC system. Results will be reported to the Executive Committee by the Executive Director or delegate and, through the Executive Committee, to the Board.

Membership

Composition

The Board or Executive Committee shall appoint a maximum membership of nine members, and a minimum of five consisting of:

- 3-7 representatives of the RJC, one of whom is Chair
- 2 external experts

External representation can be from other standard systems, non-RJC approved audit firms/auditors, accreditation bodies, technical experts with assurance experience or non-governmental organisations with assurance experience. In addition, the RJC's third party assurance provider may be represented on the committee as an observer without voting rights.

If for any reason the number of members of this committee falls below five, a call for recruitment and appointments by Executive Committee shall be held.

Eligibility Criteria

Members of the committee shall have expertise in:

- management systems auditing and certification;
- sustainability assurance methodologies;
- familiarity with the ISEAL Code of Good Practice for Sustainability Systems, as relevant to assurance
- accreditation of third-party audit firms; and
- relevant ISO standards, in particular ISO/IEC 17021, 17011 and 17065.

Appointment

Appointments are made by the Executive Committee, informed by recommendations from the Executive Director. Individuals proposed for appointment will be assessed on their ability to meet the eligibility criteria, outlined above.

Committee tenure is three years, subject to reappointment. No committee member shall, unless otherwise agreed by the Executive Committee, be eligible to remain a committee member for more than six consecutive years.

Chair and secretary

The chair will be appointed by the Executive Committee, informed by recommendations from the Executive Director. The Chair or the Executive Committee may also appoint a deputy chair. External members are not eligible to be the chair or vice chair. The secretariat role is fulfilled by the RJC Assurance Manager.

Support

Support will be provided by the Executive Director and employees of the Council as appropriate.

Minutes of each committee meeting will be recorded by the secretary or a delegate and submitted to committee members prior to the subsequent meeting, for approval at the meeting. The Chair of the committee shall report to the Executive Committee and/or Board on matters within its duties and responsibilities

Meetings

The Assurance Committee shall have four meetings per year, in addition to ad-hoc calls or in person meetings and other online work where required. Committee meetings shall be open to all appointed members, and their participation in discussion and debate will be encouraged, subject to appropriate confidentiality constraints and practical considerations.

The quorum shall be a minimum of three members, including the chair or the deputy chair.

STANDARDS COMMITTEE

Terms of reference

Committee responsibilities and duties

- Review and make recommendations on the RJC standards, including on:
 - the design and content of the standards;
 - the design and implementation of the public consultation process.
- Review and make recommendations on the M&E programme, including:
 - the design of the RJC's M&E system;
 - assessing the resulting data and outputs and making ensuing recommendations;
 - advising on the public reporting approach to M&E;
 - overseeing the RJC's compliance with the ISEAL Standard-Setting and Impact Codes.

The committee can discuss broader strategic issues as the need arises, and at the request of committee members, the Board or the Executive Committee, particularly issues that have an impact on the standards. The outcomes of these discussions will be communicated to the Executive Committee and, as such, to the relevant committee chair. However, the decision-making will remain with the relevant committees.

Membership

Composition

There shall be a maximum of two members from each member forum (equalling a maximum total of 14) and a maximum matching number of 14 non-industry members.

Principles of engagement

Members are expected to actively participate on the committee with the aim of strengthening the RJC overall. Members should enable an environment of constructive criticism and progress towards stated goals. When there are areas of disagreement, members should work towards seeking consensus and develop workable alternatives.

Co-chairs

The role of the co-chairs is to:

- represent views and recommendations of the Standards Committee to the Executive Committee and the Board – co-chairs shall represent the views of both industry and non-industry members and communicate any areas of disagreement;
- communicate any outcomes from Standards Committee discussions on strategic issues;
- consult with the committee as needed on Executive Committee and Board agenda items and also report back on outcomes;
- facilitate constructively critical input and consensus seeking;
- monitor attendance and advise the Executive Committee if committee members are absent on a persistent basis; and
- only exercise voting rights in the event of a tie.

Support

Support will be provided by the RJC standards director or delegate.

Meetings

At least two meetings shall be held annually. Minutes of meetings will be recorded by the Management Team or as appointed by the co-chairs.

The quorum shall be a minimum of ten members, including five industry and five non-industry representatives where at least one of the representatives is one of the co-chairs. When voting, the committee must be balanced between the number of industry and non-industry member votes.

Decision-making on standards

The RJC aims to operate in conformance with the ISEAL Code of Good Practice for Setting Social and Environmental Standards. The decision for the RJC to adopt a new or revised RJC standard will pass through the following steps:

- consensus-based decision-making, as outlined in this handbook;
- in the event that a consensus cannot be reached, and a vote is taken, there will be a balance of industry and non-industry participants voting;
- public consultation processes as defined in each standards development programme in accordance with the ISEAL Code of Good Practice;
- recommendation by the Standards Committee to the Executive Committee that it should seek adoption of the new or revised standard by the Board based upon an assessment as to whether the correct procedure was followed;
- if, after review by the Executive Committee, the Executive Committee does not agree to seek adoption of the new or revised standard by the Board, the standard will revert to the Standards Committee for further revisions; and
- the Board will have the sole discretion as to whether to adopt a new or revised standard.



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