

Bonsucro policy on membership suspension, termination and changes to membership

This policy outlines the instances in which Bonsucro will consider suspension, termination or changes to the status of any of the members. The document provides a high-level overview of the general principles and considerations in line with [Bonsucro Code of Conduct](#) and other governance documents, whereas the more detailed description of the internal process to be followed in each case will be defined in an internal procedure document.

1. Membership Suspension or Termination

Bonsucro, through its Board of Directors' decision, reserves the right to suspend or terminate an organisation's membership in the following cases:

1.1 Breach of Bonsucro Code of Conduct: at Bonsucro Board of Director's discretion, membership can be suspended if there is a non-compliance with Code of Conduct, in accordance with section 2H of the [Code of Conduct Implementation Guidelines](#):

“Notwithstanding the period to work towards compliance contained within the Implementation Guidelines, should any existing non-compliance (or other issue which may bring the reputation of Bonsucro into disrepute) mean that Bonsucro considers (in its sole discretion) that the Member's conduct is incompatible with continued membership, Bonsucro reserves the right to suspend or cancel membership of any Member (or place conditions on that membership) whilst the Member implements corrective or remedial actions or for such other period as specified by Bonsucro (acting in its sole discretion)”.

If the Board decide to suspend the Member, a clear action plan and timeline to rectify the breach should be defined and agreed by Board of Directors and the Member. If the non-compliance is still not rectified within the agreed timeline, the Board reserves the right to terminate the membership, in accordance with the Code of Conduct.

1.2 Failure to pay membership fees: as per the [Code of Conduct Implementation Guidelines](#) (N):

“Any failure to pay membership fees in full for 1) a period of nine months or longer since the beginning of the membership year in the case of renewals, or 2) six months after the invoice date in the case of new memberships, may result in the suspension and/or termination of membership. In the case of unpaid renewals, a decision to suspend and/or terminate membership will be taken by Bonsucro's Board (acting in its sole discretion)”.

Bonsucro Board of Directors reserve the right to suspend the Member from membership until the breach is remedied within an agreed timeline. Should the deadline not been met, the Board reserve the right to terminate the membership, in accordance with the Code of Conduct.

As per the Code of Conduct Implementation Guidelines (O): *“Where a Member is suspended for non-payment of its membership fees it will remain liable for the period of suspension, subject to any conditions placed on the suspension of membership by Bonsucro's Board”.*

1.3 Breach of Bonsucro contracts: as per specific Terms & Conditions (e.g. Credit Trading Platform; Non-Disclosure Agreements; Grant Management contracts). Bonsucro Board of Directors reserves the right to suspend the Member from membership until the breach is remedied within an agreed timeline. Should the deadline not be met, the Board reserves the right to terminate the membership.

1.4 As a result of the Grievance Mechanism process: when the Board of Directors accept the Adjudicator's recommendation to suspend or terminate the membership as one of the possible sanctions according to section 13.5 of the [Grievance Mechanism Rules of Procedure](#)). These may include conditions being imposed on membership, in accordance with section 13.4 to 13.9 of the Grievance Mechanism Rules of Procedure.

1.5 Membership will be **terminated immediately in the following circumstances:**

- (a) a Member ceases to exist
- (b) a Member passes a resolution for its liquidation
- (c) a Member is the subject of insolvency proceedings in its jurisdiction of incorporation or elsewhere.

2. Suspension of membership

2.1 Consequences of suspension:

2.1.1 Any Member who has its membership suspended shall remain liable for its annual subscription fee but, for the duration of the suspension, shall not be permitted to:

- (d) utilise Bonsucro's services
- (e) exercise its membership rights (including those rights relating to selling or buying Credits, using Bonsucro logos and appearing on Bonsucro website as 'member')
- (f) participate in the Bonsucro Governance, including Members Council/Board of Directors/TAB meetings (where applicable), communications and decisions.

2.1.2 If a Member holds a valid certification or is working towards certification against Bonsucro Standards and their membership is suspended, Bonsucro reserves the right to inform the relevant Certification Body (CB) of the reasons for such membership suspension, alerting the CB of any issues and agreed action plans, and requesting from the CB a thorough written evaluation of the risks to the member certification as well as the corresponding CB's investigation and action plan when appropriate .

2.2 Suspension Timelines

The length of the suspension will be determined by the Board depending on the breach and reasonable timeframe to address it. It can be extended until a decision is made to either lift the suspension or terminate the membership.

Should a suspension persist for a period longer than 12 months without the member being able to show and evidence any progress in addressing the non-compliance/s that led to their suspension, the Board reserves the right to terminate such membership.

2.3 Lifting of a suspension

The Board has discretion to lift suspensions on membership, if the following conditions are satisfied:

- The member provides sufficient evidence that has addressed or has made sufficient progress addressing the non-compliance/s with the Code of Conduct that resulted in the suspension;
- The member provides sufficient evidence that has addressed or has made sufficient progress addressing the non-compliance/s with the relevant service T&Cs that resulted in the suspension
- The member has complied with the recommended corrective actions/conditions placed on their continued membership as a result of the Grievance Mechanism outcome.

3. Termination of membership

Membership can only be terminated by a decision of the Board of Directors unless it is a voluntary resignation by the Member.

Terminating a membership is not the favoured approach by Bonsucro as the objective is to work with members to accelerate change and support members with the continuous improvement of producer communities and sugarcane supply chains, but it will be applied should the Board consider it an appropriate measure.

3.1 Consequences of termination:

Once the member loses its membership, they will lose their right to:

- (a) utilise Bonsucro's services (eg. CTP, Bonsucro Connect)
- (b) use Bonsucro Logo/s (the License agreement is automatically terminated once membership terminates)
- (c) appear on Bonsucro website as 'members' (they will be removed)
- (d) exercise its membership rights (including those rights relating to obtaining and holding a Bonsucro certification and selling or buying Credits)¹
- (e) make any Bonsucro related claims
- (f) participate in the Bonsucro Governance, including Members Council/Board of Directors/TAB meetings (where applicable), communications and decisions.

4. Member resignation

As per the [Code of Conduct Implementation Guidelines](#) (P): *"A Member may withdraw its membership at any time by giving Bonsucro thirty days written notice, after which time they will not be liable for any future membership fees"*. Bonsucro will confirm the resignation via a letter to the Member, including any relevant details.

¹ If a member had started working towards certification, they will be unable to be certified. If the member was already certified, they will lose the certification status and within 4 days from the termination date they will not be able to claim to be certified and will no longer be entitled to sell any remaining sugarcane-derived products as Bonsucro certified.

5. Changes to membership

5.1 In the event that any member:

- (a) enters into a joint venture, where that joint venture is a separate legal entity, such joint venture entity shall apply for membership in its own right; or
- (b) merges with any other entity (whether such entity is a member or not), such merged entity shall apply for Membership in its own right

5.2 Any mill that is a member in its own right or is owned by a member but is acquired by another entity (Acquiring Entity) shall only remain a member if:

- (a) the Acquiring Entity is also a member and it maintains its membership; or
- (b) the Acquiring Entity becomes a member within 6 months of any such acquisition, and
- (c) in all cases any entity will have up to 6 months to decide whether to maintain, terminate or reapply for Membership in accordance with this Clause.