



Extractive Industries
Transparency Initiative

CONSTITUENCY GUIDELINES FOR COMPANIES



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Company Constituency

The Constituency of Companies (“Company Constituency”) comprises companies and financial institutions engaged in the energy and extractives sectors that have committed to support the objective of the EITI Association (“Association”) as defined by the EITI Board (“Board”). These include, but are not limited to oil and gas companies, energy companies, mining companies, commodity traders, lenders and investors, foundations, and other companies and financial institutions, and associations of companies and financial institutions engaged in the energy and extractives sectors.

Becoming an EITI supporting company or financial institution/ Membership in the EITI Association

To become an EITI supporting company or financial institution, the interested company or financial institution must complete the sign-up process published by the EITI International Secretariat (“Secretariat”) on the EITI website.

As part of the sign-up process for EITI supporting companies:

1. The Secretariat shall conduct basic due diligence on the new supporting company and inform the Company Constituency about the company before sign-up;
2. The Secretariat shall perform a review of the new company’s progress against the Expectations for EITI supporting companies (“Expectations”), as published on the EITI website, and inform the company of the results of the review;
3. Senior management of the new supporting company shall sign a statement of support for the EITI and commitment to the Expectations; and
4. The new supporting company shall make an annual financial contribution to the international management of the EITI (“annual membership fee”) in the amount published on the EITI website.

While new supporting companies (those that are not already supporters of the EITI as of the date of these guidelines) are expected to sign a commitment to the Expectations, all EITI supporting companies are expected to meet the Expectations. Likewise, all EITI supporting companies and financial institutions should encourage and help facilitate the implementation of the EITI in countries in which they operate.

As part of the sign-up process for EITI supporting financial institutions:

1. The Secretariat shall conduct basic due diligence on the new supporting financial institution and inform the Company Constituency about the financial institution before sign-up;
2. Senior management of the new supporting financial institution shall sign a statement of support for the EITI; and
3. The new supporting financial institution shall make an annual financial contribution to the international management of the EITI (“annual membership fee”) in the amount published on the EITI website.

In consultation with the Company Constituency, the Secretariat shall not automatically accept a request to become a supporting company or financial institution where the Secretariat’s basic due diligence has identified that membership in the Association would pose significant reputational risk to the EITI.

The Secretariat shall confirm whether a supporting company or financial institution has completed the sign-up process. Once complete, the supporting company or financial institution will be asked by the Secretariat to appoint a personal representative to become a member of the Association as outlined in the EITI Articles of Association (“AoA”). The Secretariat shall inform the Company Constituency of any new addition to the constituency and provide the constituency with contact details of such company or financial institution.

A request for membership in the Association as a representative of a company or financial institution whose representative in the foregoing twelve months has been expelled as a member of the Association pursuant to the AoA, Article 5, shall be referred to the Board.

The EITI Board

There are six seats on the EITI Board for the Company Constituency. The AoA maximise the number of seats for financial institutions to one seat. Recently, one Board Member seat has been shared by the commodity traders and financial institutions, with one subconstituency holding the Board Member seat and the other holding the Board Alternate seat. The remaining five Board Member seats have historically been split with three seats for the sub-constituency of oil and gas/energy companies and two seats for the subconstituency of mining and metals companies, each with a Board Alternate seat.

Any change of this split shall be subject to a vote by the entire constituency and require a positive vote of at least 75 % of the members of the constituency. The vote shall be per e-mail, organised by the Secretariat at the request of the constituency and members shall have ten business days to respond. Failure to respond shall be regarded as a vote against the proposal. Any collection of seven members may request a vote on a proposal to change the allocation. Once a proposal has been voted down, the members requesting a vote may not request another vote for a period of twelve months after the results of the first vote have been announced.

Each subconstituency shall have the power to decide at its own discretion which members of that subconstituency shall be an EITI Board Member or Alternate. The Company Constituency, however, has committed to consider whether supporting companies are meeting the Expectations, as assessed by the Secretariat, as the primary consideration in electing nominees to the EITI Board from supporting companies. The Company Constituency, through its subconstituencies, first considers candidates to nominate to the EITI Board from supporting companies fully meeting the Expectations. Candidates from new supporting companies assessed for the first time and not fully meeting the Expectations may also be considered if the company demonstrates a plan to address gaps in adherence. New supporting companies may only nominate a candidate after completing the sign-up process.

Each subconstituency may also take into account factors like gender, board experience, professional background, etc. They may formalise the election procedure (as set forth below) or apply an informal procedure.

Members of the subconstituencies that consider applying for a Board seat are encouraged to secure upfront confirmation from their respective organisations that sufficient resources will be made available for appropriate and active in-person Board meeting and committee participation, and take into account that board membership requires a substantial investment of time and effort and is most effective if a Board Member or Alternate can complete an entire term of the EITI Board (currently such term is 3 years).

The subconstituency of oil and gas/energy companies:

In case there are more candidates for Board seats than there are available Board seats for the subconstituency and the candidates cannot agree amongst them which candidates will be nominated as full Board Members or as Alternates, the subconstituency shall appoint an individual, who is not a candidate him/herself, to facilitate an election for the available Board seats. The individual so appointed shall set forth the election procedures and organise the election (per e-mail) based on candidate statements circulated to all subconstituency members to facilitate a fair and transparent election. The facilitator shall thereafter announce the results from the election to the entire subconstituency and shall circulate the formal list with Board Member nominees for the subconstituency of oil and gas/energy companies to the wider constituency and to the Secretariat.

The subconstituency of mining and metals companies:

The International Council on Mining and Metals (ICMM) has agreed to facilitate the selection of the mining and metals subconstituency's Board Members and Alternates. If there are more nominations than places to be filled, ICMM will convene a call between the nominees with the aim of reaching consensus on Board representation. If consensus on Board representation cannot be reached, ICMM will call an election. An election has not previously been required, but if it were to be, ICMM would convene a 'hustings' call of all participating companies and an election would then follow. ICMM will announce the results from the election to the entire subconstituency and shall circulate the formal list with Board Member nominees for the subconstituency of mining and metals companies, to the wider constituency and to the Secretariat.

If any member of the subconstituency of mining and metals companies opposes ICMM's facilitation of the selection process, the subconstituency shall appoint an individual, who is not a candidate him/herself, nor an

ICMM staff member, to facilitate the selection process otherwise as set out above.

The subconstituency of commodity traders and financial institutions:

If the sub-subconstituencies of commodity traders and financial institutions cannot agree which candidates will be nominated as the full Board Member or Alternate, the sub-subconstituencies shall appoint an individual, who is not a candidate him/herself, to facilitate an election for the available Board seat. The individual so appointed shall set forth the election procedures and organise the election (per e-mail) based on candidate statements circulated to all subconstituency members to ensure a fair and transparent election. The facilitator shall thereafter announce the results from the election to the entire subconstituency and shall circulate the formal list with Board Member nominees for the subconstituency of commodity traders and financial institutions to the wider constituency and to the Secretariat. Board candidates must be from an EITI supporting company or financial institution.

If nominations for new Board Members or Alternates from any subconstituency are required between ordinary Members' Meetings, the above procedures shall apply *mutatis mutandis*, taking into account the need for appropriate transparency and inclusiveness.

Any grievances in connection with the process of nominating Board Members from the Company Constituency should, except in exceptional circumstances, be raised and where possible resolved within the constituency itself. Where a satisfactory resolution of the grievance cannot be identified by the constituency, the grievance should be referred to one of the other available EITI grievance mechanisms (including as enumerated on the EITI website).

When deciding on nominations of Board Members, the constituency while looking to secure sufficient continuity and long-term commitment to the Board should appropriately take into account the aspiration for turnover among Board Members as set out by the Board in its [recommendation](#).

Elected Board Members and their Alternates shall facilitate that all members of their subconstituency have the opportunity to present their

views and to have a say in the representation of the subconstituency in the Board.

Should a Board Member fail to be present at two or more consecutive Board meetings, the constituency shall initiate discussion with the Secretariat on next steps in light of AoA Article 9(5).

Constituency coordinator and subconstituency contact point

The Company Constituency shall agree on a constituency coordinator. The main task of the coordinator will typically be, as and when needed, to (a) facilitate dialogue between the Chair of the Board/the Secretariat and the constituency as a whole, as well as (b) chair any constituency meetings. Equally, the constituency coordinator (if a Board Member) will normally chair any meetings of the constituency's Board Members.

Each subconstituency shall, if deemed expedient by the subconstituency itself, appoint a contact point.

The Secretariat shall be kept duly informed about the choice of coordinator/contact point(s) and any changes in this respect.