11.00am MEETING BEGINS

Attendance
Chair: Pat Groenhout
Casual Vacancy Directors in attendance: Sarah Rees, Kevin Peechy, Cheryl Speechley
Apologies noted on day: Gordon Davis
Special Guest: Gemma Boetekes – Network Director FSC International.

|   | Attendance | As above  
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<th>No further proxies or apologies noted.</th>
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<td>Welcome</td>
<td>Introductions – welcome by Natalie Reynolds – Company Secretary and CEO</td>
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<td>Approval of Agenda</td>
<td>Approval of agenda as circulated</td>
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|   |           | Move: Helen Murray – Timber Communities Australia  
|   |           | Seconded: Warrick Jordan – The Wilderness Society  
|   |           | No objections, carried. |
| 3 | Minutes of 2013 AGM | Minutes approved as circulated |
|   |           | Move: Scott Whicker – Kimberly-Clark Australia (KCA)  
|   |           | Seconded: Peter Griss – Australian Forest Products Association (AFPA)  
|   |           | No objections, carried. |
| 4 | Director’s report on the activities of the company | Pat Groenhout – Highlights of 2013 year  
|   |           | • Increase of membership by 18 members  
|   |           | • Additional 3 staff members employed |
|   |           | Directors Report accepted:  
|   |           | Move: Scott Whicker – KCA  
|   |           | Seconded: Nick Reynish – Forestech |
### Questions from floor

No questions re. Directors report noted.

### Approval of the financial report of the company

**Auditor** of financial account Bill O’Shea (Robert J Nixon and Associates) in attendance

Audit carried out in accordance accounting standards.

No questions received.

**Management**

No objections, carried.

### Special Resolutions

**Special Resolution #1**
- Phrasing and language amendments for consistency

Questions: No questions.

**Special Resolution #2**
- Brings FSC Australia’s membership into alignment with FSC International
- Prevents International vs. Domestic interpretation differences.
- A requirement of our International Contract that is based on the Network Procedures.
- International membership has voted on new set of updated statutes.

Questions:
Lindsay Bourke – Beekeepers Association
Q: If aligned with FSC International would they still be in the Economic

**Financial report accepted:**

Moved: Linda Fienberg
Seconded: Gary Featherstone – Forest Strategy
No objections, carried.

**Special Resolution #1:** Pass

**Special Resolution #2:** Pass

**Special Resolution #3:** Fail

**Special Resolution #4:** Pass
Chamber. Conversion issues: does not affect the membership criteria.

A: Amendments have not considered what will happen as a consequence of changes brought about by FSC International specific to particular members in Australia. This resolution is about bringing FSC Australia’s constitution into alignment with FSC International’s contractual requirements.

Rod Knight: Natural Resource Planning.
Q: What are the consequences of FSC Australia rejecting the resolution.
A: If the resolution should fail, it will affect the implementation of joint membership. Joint membership’s intention is to allow Australian members to have a stronger voice in the general assembly.

Q: What happens if our contract says we must be in alignment, but our membership rejects the resolution?
A: If this were to occur, FSC Australia would be in breach of International contract and obligations. Consequences would be determined by FSC International.

Gemma: Membership is an integral part of FSC’s Governance, and it is crucially important that the International and Domestic memberships are aligned.

Linda Fienberg: Individual
Q: Concerned with aligning the statutes of FSC International with Australian Membership guidelines – parts from previous By-Laws and Statutes have been combined in the latest version. Procedures removed from Statutes, which weakens the membership criteria. Issue with membership chamber allocation, need safeguards to be put into statutes.
Suggestion that meetings with FSC Australian members occur prior to resolutions being finalised (this year meetings occurred after the notice period).
A: Rather than writing in specific provisions into constitution, resolution drafted to reflect any future changes made by FSC International. Due to the
timeliness and requirement to have this SR included in this years’ AGM, meetings could not occur earlier than they did this year.

Peter Beattie, WAFA
Q: Clarification of representatives of Government entities’ eligibility?
A: Government entities are eligible for membership, but are not eligible to sit on the Board. FSC International statutes clearly state certification bodies and government owned entities cannot be a Board member of FSC. In new statutes, these entities can only be members of Economic Chamber, under special circumstances reviewed by FSC Board. Waiting to be ratified by International Board. Once ratified, the issue will need to be revisited at a later time to determine exact wording translation and impact on FSC Australian membership. FSC Australia will need to amend constitution later at a general meeting, or via special resolution at 2015 board to bring the constitution in line with revised International requirements. Informed definition of network procedures and statutes.

Special Resolution #3
• The Board can, if it wishes appoint an officer to the company Independent to Chair the Organisation
• Issues of actual or perceived conflict to be resolved, brings consistency and predictability, particularly when dealing with media issues.
• Instability to the Organisation, have had 6 chairs in 2 years.
• Independent chair would not be from any chamber, would be professionally independent.

Questions:
Helen Murray: Timber Communities.
Q: Open ended nature – why is there not a finite period of time for the independent chair to be appointed?
A: Left to Board to choose in their wisdom appropriate term duration, dependant upon the situation.

Resolution #4
- The ACNC Act requires that Organisations caught by the Act ensure that amendments are made to comply with its provisions.

Questions:
Rod Knight – Forestech Management
Q: What are the consequences of FSC Australia rejecting the resolution?
A: Would be in breach of the Act, suggest there would be penalties attached.

| 7 | Election of Directors | Environment Chamber: |
|   |                      | Sarah Rees: Seat #1 |
|   |                      | Jonothan LaNauze: Seat #3 |
|   | Social Chamber:      |
|   | Linda Fienberg: Seat #1 |
|   | Kevin Peachey: Seat #2 |

| Economic Chamber: |
| Questions for Nominee Gordon Davies - Vicforests |
| Jim Adams |
| Q: Are you planning to represent as an individual or organisation? |
| A: Organisational representative. |

Environment East Gippsland
Wish to have recorded their strong opposition to the nomination due to logging activity in Gippsland, and believe that both VicForests nomination and membership is contentious.

Linda Fienberg: | Social and Environment Chambers: |
| As nominations did not exceed the available seats, Directors elected unopposed. Chambers decided to allocate seats within their chambers. |
Q: Given that the seat up for election is of three years duration, and there is a question that FSC’s constitutional alignment may cause an issue during the term (as VicForests is a government owned entity and once the statutes are ratified they will be ineligible to be a director), do you see this as an issue for your election to the Board?
A: Plan to make a useful contribution until such time that future changes preclude government owned entities from sitting on the Board.

Adam Menery: Australian Forests and Climate Change Alliance

Q: Do you see the credentials of members as an important part of the reputation of FSC, and that FSC is judged against the lowest performer, and as Vicforests is not certified and does not intend to be, is this an issue from your perspective?
A: The ultimate reputation of FSC will be judged on overall performance, and variety on the Board in the long term will make the scheme prosper. In that context, useful contribution to FSC.

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<th>Address from Gemma Boetekees – FSC Global Network Director.</th>
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<td>• Growth of hectares of FSC certified forests has grown significantly in the last two years, and almost at 28,000 Chain of certificates globally.</td>
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<td>• There are a greater number of small certificate holders in tropical regions, which are FSC certified (more certificates, only 10% area). In Boreal forests, there are more hectares certified by large forest managers.</td>
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<td>• 62% of all forests certified is natural, 9% is plantations, just over a quarter are mixed.</td>
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<td>• Largest areas of FSC certificates: Russia, details are on the FSC International website, and can be accessed from the home page.</td>
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<td>Current Concerns:</td>
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<td>• Very positive growth over several years – more than doubling the certified area over the years, and more than quintupling the number of certificate holders, but not sure if this rapid growth will continue,</td>
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due to the FSC organisation “experiencing growing pains”. There are issues that need to be addressed, including the structure of the organisation to ensure good local presence, and representation to ensure that there is continued growth in responsible forest management.

Growth creates new challenges:
• Need for stronger local presence, but need a global management structure.
• Strategic Priorities already in place for the next 5 years for FSC as a global organisation. Will be surveying the FSC International membership to determine what the priorities of the membership are.
• 92 motions have been received (things to do), for the General Assembly.

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